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NAVAL POSTGRADUATE SCHOOL

MONTEREY, CALIFORNIA

THESIS

**COPPER SOLDIERS: FORGING NEW ROLES FOR THE
CHILEAN MILITARY**

by

Roberto R. Flammia

September 2005

Thesis Advisor:
Second Reader:

Harold Trinkunas
Jeanne Giraldo

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**COPPER SOLDIERS: FORGING NEW ROLES FOR THE CHILEAN
MILITARY**

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Second Lieutenant, United States Air Force
B.S., United States Air Force Academy, 2004

Submitted in partial fulfillment of the
requirements for the degree of

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from the

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ABSTRACT

This thesis explains why Chile maintains military budgets in excess of its threat levels. Historically, Chile required a well-funded and capable military due to tense regional relations. However, resolution of border conflicts, equipment acquisitions and superior economic performance reduced Chile's threats during the 1990's. Nonetheless, analysts attributed the continued high military budgets to an authoritarian hangover following General Pinochet's reign (1973-1989).

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I. INTRODUCTION

A. FRAMEWORK

Why does Chile maintain high military budgets despite a reduced threat environment? Historically, the former enemy Peruvian and Bolivian militaries and the aggressive Argentine forces required a capable and well-funded Chilean military. However, resolution of border conflicts, reduction in defense spending by neighbors and superior economic performance following Chile's transition to democracy reduced the threat environment during the 1990's. Conventional wisdom attributed Chile's high defense expenditures to spending guarantees embedded in the 1980 constitution and an authoritarian hangover following General Pinochet's reign. Many felt, as long as the military retained power and autonomy, defense spending would remain high.

Pinochet's arrest and trial in 1998 and the resulting political upheaval diminished the power of the military and calls past explanations into question. A resurgent judiciary prosecuted junta era commanders for human rights violations. Younger more flexible military leadership replaced Pinochet and his cronies. The parties of the right distanced themselves from the armed forces. The Concertación allied with the right in order to eradicate the "authoritarian enclaves" from the 1980 constitution and eliminate the political power of the military. Nonetheless, military spending guarantees remained embedded in the constitution and budgets have reached their highest levels ever. Since Chile has recovered from its authoritarian hangover, why does the government continue to fund the military in excess of its threat environment?

This thesis argues the civilians maintained high military budgets to further the "normalization" of civil-military relations in the wake of Pinochet's arrest and trial. The new military leadership admitted to human rights abuses and assured subordination to the civilian government. In return, the civilian elite omitted the spending guarantees from the 2005 constitutional reforms. The military enjoys high budgets and the government, improved civil-military relations.

With defense budgets guaranteed, the government reoriented the military's mission to focus on peacekeeping operations (PKOs). The civilian elite supported PKOs

as they increase civil-military dialogue, military subordination and Chile's international presence. The armed forces supported the measure as PKOs increase budgets, personnel pay and morale while providing material and cross-training incentives. Benefiting both parties, Chile's peacekeeping commitment increased from a few observers in 1998 to over 600 deployed military personnel by 2005. The continued improvement of relations in the region, secure budgets and benefits of PKOs establish peacekeeping as a sustainable military mission for Chile's future.

Chapter II supports this argument by examining Chile's current threat environment and military budgets. The chapter analyzes regional developments and defense expenditures over the last fifteen years. Traditionally, Chile maintained high budgets due to a siege mentality propagated by expansive and hostile borders with Peru, Argentina and Bolivia. Yet, consistent economic growth, military hardware upgrades, and resolution of border disputes since the transition to democracy reduced the external threat. Nonetheless, Chilean military budgets continue to increase. Currently, Chile dedicates a higher percentage of its GDP to military expenditures than any other Latin American state.

Chapter III examines political explanations for the high levels of military spending since the transition to democracy. From 1990-1998, budget guarantees written into General Pinochet's 1980 constitution kept defense spending high. Although the Concertación would have preferred to eliminate these constitutional provisions, the coalition lacked the numbers in Congress to do so. Parties of the right, closely linked to the military, impeded reform. In 1998 Pinochet's London arrest unleashed a massive civil-military shakeup. Prosecutions for human rights abuses ignited, the military image plummeted and the right distanced themselves from their long time ally the armed forces. The Concertación coalition capitalized on the events, allying with the newly reformist right to amend the "authoritarian enclaves" in the 1980 constitution. After "completing" the constitutional reforms, constitutional spending guarantees remained and military budgets reached the highest levels ever.

The lack of budget reform can be explained by civilian desires not to upset an incipient process of "normalization" of civil-military relations. The political isolation of

the military in the wake of Pinochet's arrest initiated a shift in military leadership away from officers associated with human rights prosecutions leading to a process in which the armed forces publicly acknowledged its infamous past and declared its subordination to civilian authorities. Civilians, in return, undertook no measures to reduce defense spending during the process of constitutional reform.

Is this situation of high levels of defense spending and military subordination to civilian rule a stable equilibrium? Or should we expect civilians to reduce spending in the near future? Chapter IV answers these questions by examining Chile's increased involvement in peacekeeping operations (PKOs) since 1998. It shows how both civilian and military benefits from PKOs can be used to justify high levels of defense spending. For the armed forces, increased budgets and personal pay, institutional justification, morale and international interaction result. Civilians derive increased civil-military dialogue, military subordination, and a global presence. While both profit exclusively, a stable and predictable civil-military environment based on high military budgets emerges.

Chapter V addresses the policy implications of these findings for the United States. It argues that the United States should recognize and promote Chilean PKOs in order to catalyze civil-military reforms and fortify one of Latin America's strongest democracies. Additionally, as seen by the purchase of General Dynamics F-16s, the Chileans provide a viable weapons market. Weapons sales bolster peacekeeping capabilities as well as increase Chilean interoperability with the United States and the United Nations. Lastly, exchanges of information and training should increase. Improvements in peacekeeping doctrine and capabilities reinforce Chile's regional leader status. As seen by the Latin American led deployment in Haiti, increased responsibility and capability in PKOs from Latin American states reduces US military requirements. Combined, the measures promote regional growth, stability, and democracy.

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II. REGIONAL THREAT ENVIRONMENT AND CHILEAN DEFENSE SPENDING

A. INTRODUCTION

This chapter demonstrates that Chile continues to expand and modernize its military forces despite a reduction in regional threats. Historically experiencing a “surrounded” mentality, Chile maintained a relatively high level of defense spending. Facing the larger Argentine military, the previously vanquished Peruvian forces and a landlocked and desperate Bolivia, Chile remained on the defensive. Yet, recent shifts in military budgets and capabilities of former adversaries as well as decreased regional tensions challenge longstanding Chilean assumptions. The once powerful Argentine military now struggles with harsh austerity measures due to the nation’s economic collapse.¹ Peru and Bolivia currently maintain *combined* defense budgets 36% smaller than Chile’s alone.² Over the last twenty years Chile resolved all but one border dispute with its neighbors. Regardless, Chile continues to modernize its forces, spending more on defense as a percentage of GDP than any other Latin American state.³

The first section of this chapter shows that Chilean budgets are growing faster and are more stable than its neighbors. The second section proves the Chilean armed forces are qualitatively and technologically superior and maintain a more aggressive pattern of arms acquisitions. Section three demonstrates Chile’s economic stability and increases in GDP and competitiveness outpace the region. Finally, the fourth area illustrates the reduction in border tensions by reviewing past disputes and their successful negotiations. The multiple angles of analysis prove Chilean defense expenditures do not match the diminishing threat environment.

¹ “External Affairs, Chile,” *Jane’s Sentinel Security Assessment-South America* [journal on-line]; available from <http://www4.janes.com/>; Internet; accessed 13 March 2005.

² “Caribbean and Latin America: Part II,” *The Military Balance 2004-2005*, International Institute for Strategic Studies (London: Oxford University Press, 2004), 335-339.

³ “Executive Summary: Risk Pointers,” *2005 Jane’s Information Group* [database on-line] available from <http://www4.janes.com/>; Internet; accessed 13 March 2005.

B. MILITARY BUDGETS

According to the 2004-2005 *The Military Balance*, Chilean defense expenditures totaled \$1.4 billion (U.S.) in 2004.⁴ In contrast, Argentina, Peru, and Bolivia's 2004 expenditures totaled \$1.6 billion, \$899 million, and \$126 million respectively.⁵ Summed together, the border countries' defense expenditures total \$2.625 billion. With Argentina outspending Chile alone, the neighbors collectively spent more than \$1.225 billion or 1.875 times Chile's entire budget in 2004. Taken at face value, Chile seems to be at a large disadvantage.

Chile's budgetary disadvantages become much less alarming when viewed in the long term. During Pinochet's sixteen and a half year reign defense budgets averaged 17.39%.⁶ Outlays reached their highest levels in 1975, consuming 23.71% of government expenditures.⁷ Following Pinochet's departure, Chilean defense expenditures dipped in terms of GDP percentile, but increased in total value. As proof, Chile's defense budget in terms of US dollars over the last twelve years averaged \$1.53 billion.⁸ The 2004 budget represented the highest budget in the last four years and a second year of increase.⁹ From 1993 to 2004 total military expenditures increased by 40%, or 3.33% annually.¹⁰ In terms of the U.S. dollar, the Chilean budget maintains a slow but stable growth pattern trending towards future increases.

An analysis of the Chilean military budget in Chilean pesos (pCH) reveals an even stronger trend. According to the 2002 *Libro de la Defensa Nacional de Chile* produced by the Minister of Defense, between 1993 and 2001 fiscal defense expenditures increased nine out of eleven straight years (expressed in 2001 pesos).¹¹ During the same span, pCH expenditures rose 31% percent, capped off in 2001 with the highest budgetary

4 "Caribbean and Latin America: Part II," 2004-2005, 336.

5 Ibid., 335-339.

6 Ibid.

7 Ibid.

8 "Caribbean and Latin America: Part II," *The Military Balance* 1993-1994 through 2004-2005, International Institute for Strategic Studies (London: Oxford University Press, 1993-2005).

9 Ibid.

10 Ibid.

11 Ministerio de Defensa Nacional de Chile, *Libro de la Defensa Nacional de Chile*, (Santiago: May 2003), 207-208

levels in 13 years.¹² Also, following a five year *decrease* in expenditures as a percentage of GDP after the electoral defeat of Pinochet in 1989¹³ (-.87%), expenditures increased for five of the six years between 1996 and 2001 (.13%).¹⁴ Collectively, the pCH based figures reveal a stable and robust increase in absolute and GDP percentage defense spending over the last thirteen and six years respectively.

Chile's secure spending patterns gain significance when compared to the military expenditures of Argentina, Peru, and Bolivia over the same period. Argentina's spending habits over the last twelve years are erratic at best. Increasing from a low of \$2.5 billion in 1993, expenditures rose for six straight years, peaking at \$4 billion in 1998.¹⁵ Following 1998, military outlays dropped for four straight years, reduced to \$1.1 billion in 2002, a decrease of 72.5% in five years.¹⁶ Between 2001 and 2002 alone (years when Argentina was reeling from the recent currency crash¹⁷) expenses dropped by a stunning 66%. Resultantly, Chilean expenditures eclipsed Argentina's in 2002 even though Chile had a GDP of \$67 billion compared to Argentina's of \$101 billion the same year.¹⁸ Following 2002, Argentine spending steadied at \$1.6 billion, placing it \$1.325 billion or 46% below the twelve year average.¹⁹

In Peru, from 1993 to 2004 defense expenditures remain relatively unchanged. The Peruvian defense budget averaged \$848 million during that period.²⁰ Relatively stable, nine of the twelve budgets remained within +/- \$100 million of the average. The 2004 budget remains consistent at \$899 million, \$51 million above the average. Also,

¹² Ministerio de Defensa Nacional de Chile, *Libro de la Defensa Nacional de Chile*, (Santiago: May 2003), 207-208

¹³ Eduardo Silva, "Chile Past, Present and Future: The Long Road to National Reconciliation" *Journal of Interamerican Studies and World Affairs*, vol 33, no.4 (Winter 1991), 133. [journal on-line]; available from <http://links.jstor.org>; Internet; accessed 13 March 2005.

¹⁴ *Libro*, 207-208

¹⁵ "Caribbean and Latin America: Part II," *The Military Balance 1993-1994 through 2004-2005*.

¹⁶ *Ibid.*

¹⁷ Jeffrey Sachs and Felipe Larrain, "Why Dollarization is More Straitjacket Than Salvation," *Foreign Policy*, no. 116 (Autumn, 1999), 80-92 [journal on-line] available from <http://links.jstor.org>; Internet; accessed 13 March 2005.

¹⁸ Caribbean and Latin America: Part II," *The Military Balance 1993-1994 through 2004-2005*.

¹⁹ *Ibid.*

²⁰ *Ibid.*

2004 outlay appears to be trending back towards the twelve year standard as it is part of a four year decline in military spending.²¹ This latest trend and the past twelve years of data demonstrates Peru's adherence to steady low-level defense spending without major swings positive or negative.

The Bolivian defense budget follows a generally Argentine pattern with less radical shifts. Averaging \$141 million over twelve years, defense expenditures generally increased between 1994 and 1999 before falling off between 2000 and 2004. The most significant swing occurred between 1999 and 2000 when defense levels fell \$90 million or 41% in a single year.²² Following the decline, the budget steadied out, averaging \$127 million from 2001-2004, a 10% decrease from the twelve year average.²³ Thus, Bolivia, like Argentina, enjoyed a dramatic rise in military expenditures near the turn of the century, experienced a rapid decline shortly thereafter and now spends significantly below past levels.

Combined, the data from the four countries brings to light a comforting trend for Chilean defense experts. With Argentina, and Bolivia stabilizing military spending after large drop offs and Peru continuing a strict average, the Chilean defense outlays grew significantly in relative strength. In 2000, combined Argentine, Peruvian, and Bolivian to Chilean expenditures equaled a ratio of 3.54 to 1 (\$US).²⁴ By 2005, the shifts in budgets reduced the disparity to 1.88 to 1.²⁵ The variance in ratios equates to a 47% decrease in relative military outputs in the last four years alone. Furthermore, measured in both U.S. dollars and Chilean Pesos, upward trends for Chilean spending appear to be the norm. While the other countries continue to experience wild swings or stagnant expenditures, Chile maintains a stable upward climb. The large increase in Chilean military expenditures vis-à-vis its neighbors significantly decreases the regional threat environment.

²¹ Caribbean and Latin America: Part II," *The Military Balance 1993-1994 through 2004-2005*. Ibid.

²² Ibid.

²³ Ibid.

²⁴ "Caribbean and Latin America," *The Military Balance 2000-2001*, International Institute for Strategic Studies (London: Oxford University Press, 2000). 227,230, 233, 247.

²⁵ "Caribbean and Latin America: Part II," 2004-2005, 335-339.

1. Timing of Major Equipment Acquisitions

Another factor to consider when examining the recent budget data is timing of major equipment acquisitions. Prior to 2001, no Latin American country over the last 23 years received advanced weaponry from the United States (with the exception of 24 early B model F-16's to Venezuela in 1982).²⁶ The lull in advanced weaponry sales resulted from a ban initiated in 1977 under President Jimmy Carter. Titled "Presidential Decision Directive 13," it enacted a "'presumption of denial' of request for attack jets and other high technology items for the Latin American States."²⁷ Strictly enforced for twenty years, Presidential Directive 13 kept weapons levels and technologies relatively low in the region.²⁸

In 1997, however, President Clinton broke with the policy and Chile has been the main beneficiary. Begun under Clinton and finalized in May 2001 under President Bush, Chile signed a contract for ten General Dynamics F-16 "Fighting Falcons." In January 2002, President Lagos formalized the \$660 million purchase.²⁹ The F-16's provided Chile the only US made advanced weaponry in the region in nearly two decades.³⁰

The shift in U.S. policy is important for the regional balance of power for many reasons. First, the 2001 shift in weapons policy occurred after the Bolivian defense budget decline of 1999 and during the 2001-2002 nosedive in Argentina. With both countries wrestling for control of their military budgets, neither possessed sufficient resources to update their outdated weapons systems with American arms. Second, Peru, which maintains a constant budget, previously committed to purchasing MiG 29's from Belarus in 1995.³¹ Looking outside the hemisphere for advanced weapons sales, the

²⁶ Dr. Frank Mora and LtCol Antonio L. Palá, "US Army Transfer Policy for Latin America: Lifting the Ban on Fighter Aircraft," *Aerospace Power Journal*, available from <http://www.airpower.maxwell.af.mil/airchronicles/apj/apj99/spr99/mora.html>; Internet; accessed 15 February 2005.

²⁷ Thomas Cardamone, "Arms Sales to Latin America," *Foreign Policy in Focus: Council for a Livable World*, vol 2, num 53 (December 1997) available from http://www.fpif.org/briefs/vol2/v2n53arm_body.html; Internet; accessed 12 February 2005.

²⁸ Ibid.

²⁹ "External Affairs, Chile," *Jane's Sentinel Security Assessment-South America*.

³⁰ Ibid.

³¹ "Caribbean and Latin America: Part II," 2002-2003, 316.

Peruvians acted prior to the modification of American policy. The bottom line is that Chile's growing military spending comes at a time when its armed forces can access the most advanced weapons while regional adversaries cannot.

C. MILITARY CAPABILITIES

When evaluating regional military capabilities a similar pattern emerges. Viewed at a surface level, Chile's military appears greatly outmatched. Argentine, Peruvian, and Bolivian forces and equipment levels are many times of those of Chile. However, analysis of qualitative factors, weapons capabilities and patterns of recent acquisitions tell a different story. Not only are Chilean weapons capabilities currently superior than any single neighbor, but future threats to their superiority appear unlikely.

1. Force Equipment Levels

From a general overview the Chilean military appears greatly outmatched. Chile maintains 77,700 combined forces with 50,000 reserves.³² In contrast, Argentina, Peru, and Bolivia maintain forces of 71,400, 80,000, and 31,500 respectively.³³ Additionally, Peru maintains 188,000 reserves.³⁴ Taken at face value Chile's neighbors command 235% more active duty forces and 375% more reserves.

Breaking down the militaries in components proves equally as problematic for the Chilean military. In terms of Army equipment (measured in main battle tanks [MBT's] and light tanks [LT's]) Chile employs 290 Leopard I and 60 AMX-30 MBT's with no LT's.³⁵ Opposite Chile, Argentina maintains a force of 200 MBT's and 150 LT's.³⁶ Peru maintains 275 MBT's and 110 LT's.³⁷ Bolivia is without a MBT force, but maintains 36 LT's. Combined, Chile's rivals employ more than 1.5 times Chile's MBT force (1.63: 1) and 296 more LT's.

Naval estimates are equally problematic for Chile. In 2005, Chile's navy consists of two submarines, two destroyers, four frigates and twenty four patrol and coastal

³² "Caribbean and Latin America," *The Military Balance 2004-2005*, 201.

³³ *Ibid.*, 196-213.

³⁴ *Ibid.*, 213.

³⁵ *Ibid.*, 202.

³⁶ *Ibid.*, 197.

³⁷ *Ibid.*, 214.

combatant craft.³⁸ The other three nations collectively maintain nine submarines, five destroyers, twelve frigates and eight four patrol and coast combatant craft.³⁹ With significant advantages in the numbers of submarines, destroys, frigates, and patrol boats, the three nations quantitatively outmatch Chile's navy.

Finally, Chile's Air Force appears overwhelmed as well. In 2004, Chile maintained 85 combat aircraft. Of them, the most notable were the 13 Gen II Mirage 50's, 18 Gen III F-5's and 18 Gen II A-37B's.⁴⁰ In contrast, Argentina maintained 99 combat aircraft (7 Gen III, 72 Gen II), Peru 118 (32 Gen IV, 57 Gen III, 23 Gen II), and Bolivia 37 (Gen II).⁴¹ When summed, Chile maintains less Gen IV aircraft (-32), fewer Gen III models (-46), and significantly fewer Gen II fighters (-97). Quantitatively, all three force components of the neighboring states outmatch each branch of the Chilean military.

2. Technological and Qualitative Advantages

Despite the quantitative disadvantage, analysis of weapon system and qualitative capabilities tells a different story. The Chilean Army maintains a reputation of "near invincibility" throughout the region.⁴² Continually threatened by neighbors, the army developed "a high caliber, disciplined, Prussian-trained Army."⁴³ Never defeated in a short run of wars, the motto "Siempre Vencedor, Jamás Vencido" (Always Victorious, Never Defeated) echoes reality.⁴⁴ As such, the quality of the Chilean army remains "unquestionably the best in Latin America...approached in quality only by those other regional armies on which it has had a strong formative influence."⁴⁵

Technologically outdated in the past, the regimented Chilean Army leapt forward with the 1999 purchase of 290 Leopard 1 MBT's. According to Jane's, "purchases of

³⁸ "Caribbean and Latin America," *The Military Balance 2004-2005*, 202.

³⁹ Ibid., 197-213.

⁴⁰ Ibid., 202.

⁴¹ Ibid., 197-213.

⁴² "Army, Chile," *Jane's Sentinel Security Assessment-South America* [journal on-line]; available from <http://www4.janes.com/>; Internet; accessed 13 March 2005.

⁴³ Ibid.

⁴⁴ Ibid.

⁴⁵ Ibid.

Leopard 1 tanks from Germany and the Netherlands give the Chilean Army a formidable, if long needed, main battle tank force by regional standards.”⁴⁶ The potent Leopards combined with the disciplined operators constitute a regionally potent force.

Chile’s navy, like their army, enjoys a high level of competence. Trained by the British, Chile boasts “the strongest naval tradition in Latin America.”⁴⁷ Building on the tradition, Chile developed forces that “remain unmatched on a qualitative basis.”⁴⁸ As such, “the ships are well maintained and, more importantly, crewed by very well trained teams of officers and ratings.”⁴⁹ In contrast, Argentina’s aircraft carrier *El 25 de Mayo*, barely floats. Since 1988 it has not even left port.⁵⁰ Recently, “only a defence-ministry veto spared the navy the indignity of seeing its former pride converted into a floating shopping mall for Buenos Aires.”⁵¹ When comparing Chile’s well maintained and staffed fleet to its neighbors’ decrepit forces, it is no surprise Chile’s navy ranks as the “best in the region.”

In terms of technology and capabilities, Chile remains a formidable force. Facing the larger navies of Peru and Argentina, Chile aims for highly capable forces. The submarine fleet, while small, is very modern. The main backbone, two new Franco-Spanish Scorpene class submarines, will be introduced in 2005 and 2006. Once commissioned, the new subs “will be the most powerful vessels of this type in service in South America.”⁵² Also, the navy purchases physically modern, but technologically outdated U.S. and European equipment and refurbishes it. The domestic companies DESA and SIDEF specialize in “electronic and digital systems upgrading” in order to

⁴⁶ “Chile: South American Defence Markets,” *Jane’s Information Group*, [journal on-line]; Internet; accessed 18 February 2005.

⁴⁷ “Navy, Chile,” *Jane’s Sentinel Security Assessment-South America* [journal on-line]; available from <http://www4.janes.com/>; Internet; accessed 4 March 2005.

⁴⁸ Ibid.

⁴⁹ Ibid.

⁵⁰ “Hands across the Andes,” *The Economist*, 24 July 1997.

⁵¹ Ibid.

⁵² Ibid.

update hardware to current standards.⁵³ The end result is a technologically “balanced and effective fleet,”⁵⁴ superior to regional rivals.⁵⁵

Lastly, Chile’s Air Force enjoys strong qualitative and technological advantages in line with the other services. The Fuerzas Aereas de Chile (FACH) are the “fourth oldest independent military air arm” in the world.⁵⁶ Extremely proud of this tradition, the FACH maintains “a well-trained and motivated force.”⁵⁷ In addition to the “superb morale,” the FACH claims “extensive experience in operating aircraft in a variety of hostile environments.”⁵⁸ The end result is a high level of esprit de corps and operational experience.

Technologically, the Air Force stands out also. Making sustained efforts to modernize their forces after the international boycott of the Chilean Military Government from 1973-1990,⁵⁹ the FACH continues an aggressive acquisition schedule. Recent purchases of the ten General Dynamics F-16 “Fighting Falcons” replace the aging Mirage III fleet. A generation IV platform,⁶⁰ the F-16’s ensures air superiority against even Peru’s MIG-29’s.⁶¹ Geoffrey Wawro, professor of strategic studies in the Naval War College’s Center for Naval Warfare Studies, states, “If Peru scrambled warplanes to protest Chilean encroachment on its maritime frontier, the Chilean F-16’s...would fly rings around them, at the very least.”⁶² In addition to the F-16’s, further plans to replace the aging Northrop F-5E “Tiger III” force are underway. If on schedule, Chile’s next generation of Air Superiority Fighter should be secured between 2010 and 2012.⁶³ The

⁵³ “Hands across the Andes,” *The Economist*, 24 July 1997.

⁵⁴ Ibid.

⁵⁵ “Air Force, Chile,” *Jane’s Sentinel Security Assessment-South America* [journal on-line]; available from <http://www4.janes.com/>; Internet; accessed 11 March 2005.

⁵⁶ Ibid.

⁵⁷ Ibid.

⁵⁸ Ibid.

⁵⁹ Ibid.

⁶⁰ “Fighter Generations,” *Aerospaceweb.org* available from <http://www.aerospaceweb.org/question/history/q0182.shtml>; Internet; accessed 9 February 2005.

⁶¹ Geoffrey Wawro, “Our Special Correspondent: Letter From South America,” *Naval War College Review* vol 55/3 (Summer 2002), 8

⁶² Ibid.

⁶³ “Air Force, Chile.” *Jane’s Sentinel Security Assessment*.

future acquisition of air assets joined with the already potent F-16's will consolidate further the FACH's technologically dominant position.

Thus, the Chilean Army, Navy, and Air Force historically and currently outmatch Argentina, Peru, and Bolivia on a technological and qualitative level. While the other nations continue with austerity measures, recent Chilean purchases combined with qualitative advantages ensure military dominance. The rise in Chilean military prowess vis-à-vis the other nations greatly reduces the nations threat environment.

3. Patterns of Acquisition

The last military area to examine is that of weapon system acquisitions over the last ten years. Recent patterns in Chilean acquisitions reveal a consistent and inter-service acquisition of new hardware. In contrast, Argentina, Peru, and Bolivia maintain a "trickle" approach for purchases/upgrades, often neglecting entire services for years at a time. When analyzed in context with the already technologically and qualitatively superior Chilean military, current and future acquisition projects further distance Chile from the pack.

Argentina's weapon system acquisitions proceed at a slow rate. In 1996 the nation bought eight Bell UH-1H "Huey" helicopters and eight P-3B Orion naval aircraft.⁶⁴ In 1997, Argentina added eight more "Huey's" and eight used A-4M's from the U.S. In 1998, Argentina completed its last major acquisition when it purchased a single KC-135 from the United States.⁶⁵ Between 1998 and 2005 the Argentines purchased no new or significant hardware for any service. The sparse purchases, with the exception of the dated A-4's, added little offensive capability to the Argentine military over the last ten years.

Peru and Bolivia acquisitions over the last decade mimic Argentina's gradual pattern. Bolivia's last major acquisition occurred in 1997 when it bought 18 American TA-4J fighter/ground attack aircraft. Of the 18, Bolivia designated six as "can birds" to be used for spare parts.⁶⁶ Peru, after a spending blitz in 1995 (18 SU-25's and 18 MIG-

⁶⁴ "Caribbean and Latin America," *The Military Balance 2001-2002*, International Institute for Strategic Studies (London: Oxford University Press, 2001), 217.

⁶⁵ Ibid.

⁶⁶ Ibid.

29's from Belarus), purchased almost no new equipment over the next ten years.⁶⁷ The only exceptions occurred in 1998 with the purchase of three more MIG-29's and two Lupo-class frigates from Italy.⁶⁸ Peru and Bolivia, like Argentina, refused or were unable to acquire new advanced weapon systems throughout the late 1990's and early twenty first century.

On the flip side, Chile continues to aggressively and consistently acquire new hardware. In 1995, Chile purchased 128 M-113 armored personnel carriers from Belgium.⁶⁹ In 1996, Chile purchased 60 AMX-30B main battle tanks from France.⁷⁰ In 1997, Chile purchased two Tiger fast patrol craft with surface-surface missiles and the two Scorpene submarines.⁷¹ In 1998 Chile purchased twelve Sikorsky UH-60 "Blackhawk" helicopters, and two Orion P-3 aircraft.⁷² In 2000, Chile ordered its vaunted Block 50 General Dynamics F-16's and in 2004 the government purchased four advanced frigates from the Netherlands.⁷³ The consistent acquisition pattern continues to replenish stocks of aging Chilean hardware well in advance of its neighbors.

Comparing the two sides, Chile is the only state to purchase major weapon systems *consistently* over the last ten years and the only one to do so at all during this century. Furthermore, Chile blanketed *all* the services with new equipment (MX-30, F-16, Scorpene submarines, Frigates, UH-60's, etc) while other countries provided patchwork upgrades. Specifically, Argentina refurbished old A-4's (AF), Peru purchased a couple of frigates and a few MIG-29's (AF/Navy) and Bolivia refurbished A-4's (AF). Moreover, Chile's acquisitions such as the Scorpene class submarines and U.S. F-16's are without peer in the other countries. In contrast, Argentina's KC-135 or Peru's Lupo

⁶⁷ "Caribbean and Latin America," *The Military Balance 2001-2002*, International Institute for Strategic Studies (London: Oxford University Press, 2001), 218.

⁶⁸ Ibid.

⁶⁹ Ibid., 218-219.

⁷⁰ Ibid.

⁷¹ Ibid.

⁷² Ibid.

⁷³ "Caribbean and Latin America," *The Military Balance 2004-2005*, 341.

class frigates are matched or exceed by past Chilean purchases. Collectively, the acquisition patterns reveal a growing gap between Chile's improving military and its torpid competitors.

4. Implications for the Regional Threat Environment

In arguing in favor of a hostile Chilean threat environment, critics may cite Chile's quantitative deficit. Numerically inferior in terms of military personnel, main battle tanks, naval units, and combat aircraft, the Chileans appear outgunned. Yet, deeper analysis of the Chilean situation reveals a much different picture. Technologically, recent weapon systems upgrades give the Chileans a clear-cut advantage. Technologically superior, Chile's advantages swells when taking into account qualitative factors. With the most efficient navy in the region, the most disciplined army, and a highly trained air force, Chile service members are head and shoulders above their regional peers. Additionally, trends in recent and current acquisitions reinforce Chile's dominant position. In fact, *El Mercurio*, a leading Chilean newspaper, predicts if the military budgets remain at current levels, Chile will reach military capabilities equal to or exceeding European nations by 2010.⁷⁴ Hence, Chile's security in the region, from a defense perspective, appears safe for the near future.

D. THE REGIONAL ECONOMIC BALANCE

The third area of analysis is the economic strength, trends, and competitiveness among the four nations. Chile is outmatched in terms of total GDP. Chile's GDP totaled \$93.47 billion in 2005 compared with Argentina, Peru, and Bolivia's GDP's of \$161 billion, \$70 billion, and \$10 billion, respectively.⁷⁵ Collectively, the three nations' GDP outpace Chile's by \$241 billion or 258%. However, the quality and sustainability of Chilean economic growth is much more consistent than any of its neighbors and provides a foundation for its military power.

1. GDP Growth

Chile's economic power appears to be a disadvantage only when analyzed in pure numbers. Analysis of the GDP growth patterns reveals positive trends for Chile. In U.S

⁷⁴ Patricio González Cabrera, "Chile Alcanzará estándar militar europeo," *El Mercurio*, 18 July 2005; National.

⁷⁵ "World Economic Outlook Database," *International Monetary Fund* (September 2004) available from <http://www.imf.org/external/pubs/ft/weo/2004/02/data/dbcsubm.cfm>; Internet; accessed 10 March 2005.

dollars, Chile's GDP increased from \$33.5 billion in 1990 to \$93.47 billion in 2005.⁷⁶ The fifteen year rise in GDP totaled \$60 billion, a 297% increase.⁷⁷ During the same period Chile significantly shrunk the gap in GDP ratios in terms of Chilean GDP (\$) : Argentina, Peruvian, Bolivian GDP. In 1990, the ratio sat at \$1 to \$6.2. By 2005, Chile the gap contracted to \$1 to \$3.6 -- a 42% decrease.

Chile's gains become more impressive when compared to those of the other three nations. During the same 1990-2005 timeframe Argentina's GDP increased from \$141 billion to \$161 billion. Although reaching nearly \$300 billion in 1998, the 2001 crash reduced total 1990-2005 gains to 14%. Peru's and Bolivia's GDP's grew similar to Chile's, but at a more moderate rates. From 1990-2005, Peru's and Bolivia's GDP's increased by \$42 billion and \$4.8 billion respectively. In percentiles, the gains equaled 250% and 200% respectively. Although impressive, two points must be highlighted. First, Bolivia's entire growth (which is still less explosive than Chile's) accounts for only 5.1% of Chile's 2005 GDP. Second, the gap in Peru's GDP ratio with Chile grew from \$1:1.2 in 1990 to 1:1.33 in 2005, a 10% increase. Resultantly, all three countries experienced absolute growth, but at paces well inferior to Chile's.⁷⁸

2. Annual Percentage (+/-) in GDP

A second positive economic measure for Chile is annual changes in GDP (+/-). Measured from 1988-2005 at constant prices, Chile maintains a clear-cut advantage among the nations. Between 1988 and 2005, Chile averaged a GDP growth rate of 5.82% annually with only a single year of absolute negative growth (-0.8 in 1999). In contrast, Argentina averaged growth of less than half of Chile's at 2.08% with greater than 50% of the years (8/15) negative in growth. Peru grew the least at 1.8% and experienced the second highest number of negative growth years at six. Finally, Bolivia averaged 3.55% growth and had the least years of negative growth with zero. When compared side-by-side, Chile's growth in GDP from 1988-2005 outpaced the others by 2.2% - 4.02% while

⁷⁶ "World Economic Outlook Database."

⁷⁷ Ibid.

⁷⁸ Ibid.

simultaneously accumulating the second fewest years of contraction.⁷⁹ If future regional growth patterns mimic the last twelve years, Chile will further distance itself from the pack.

3. Competitiveness Index

Finally, pure statistics aside, Chile continues to outpace the other nations in terms of competitiveness. According to the 2004 Growth Competitiveness Index sponsored by the World Economic Forum, Chile ranks as the 22nd most competitive nation among 104 states.⁸⁰ The lofty rank paces Chile one behind Hong Kong SAR, but well ahead of the more developed countries of Belgium (25), Luxembourg (26), France (27), and Spain (23). Additionally, Chile continues an upward trend of competitiveness, rising six spots from its previous ranking of 28th in 2003.⁸¹ Couched among first world competitors, Chile continues to climb.

Opposite Chile, Argentina, Peru, and Bolivia tally some of the worst competitiveness scores on the planet. According to the 2004 index, Argentina ranks 74th -- four spots below the corrupt Russian Federation (70) and one below Sri Lanka (73). Peru ranks a more respectable 67, but still comes in well behind countries such as El Salvador (53) and Botswana (45). Also, Peru fell ten spots from the previous year's rank of 57. Lastly, Bolivia ranks 98th, placing it below the countries of Madagascar (96), Nigeria (93), Mozambique (92) and Serbia and Montenegro (89). Like Peru, Bolivia slipped from the previous year, dropping thirteen spots from a 2003 rank of 85. When compared to Chile, the three nations' growth competitiveness scores rank among the third world while Chile's sits amongst the first and continues to rise.⁸² Chile's competitiveness, combined with established GDP growth patterns, signals an expanding economy capable of sustaining current forces and undertaking future weapon purchases. This means that its military can rely on a pattern of growing defense budgets unlikely to collapse due to economic crisis, as has occurred to neighboring militaries

⁷⁹ "World Economic Outlook Database."

⁸⁰ "Growth Competitiveness Index Rankings and 2003 Comparisons," *World Economic Forum* available from http://www.weforum.org/pdf/Gcr/Growth_Competitiveness_Index_2003_Comparisons; Internet; reference 28 February 2005.

⁸¹ Ibid.

⁸² Ibid.

4. Implications for the Regional Balance

In the same pattern as military budgets and capabilities, Chile appears outmatched in terms of economic strength at first glance. GDP totals of Argentina, Peru, and Bolivia tower over Chile's by a ratio greater than 3.5:1 remain. Yet, analysis of the last fifteen years shows the ratio and many other economic factors favoring Chile. The inter-nation GDP ratio fell from a 1990 high of greater than 6:1 to the current reduced levels. Also, the Chilean economy grew at an average of greater than 5.5% while Argentina and Peru struggled with growth rates less than half of Chile's, sharing fourteen years of contraction between the two. Additionally, Chile ranked 14th in the 2004 growth competitiveness index. The same year, Argentina, Peru, Bolivia placed 76th, 67th and 98th, respectively. As a consequence, Chile's superior GDP growth as an absolute and percentage, as well as growth competitiveness continue to outstrip its neighbors.

E. REGIONAL RELATIONS

The last area analyzes the improving regional relations as a result of border conflict resolutions. Chile's geography, location and history created numerous border conflicts over the last century. Located on the western half of South America, Chile shares a massive 5,150 km border with Argentina alone.⁸³ Starting in the northern deserts and ending near the Antarctic, the Chile-Argentina border is largely unpopulated and unpatrolled.⁸⁴ Lacking clear delineation, the two states, until recently, maintained tense relations over nearly 25 territorial disputes. In addition, Chile maintains disputes with Peru and Bolivia. Following the War of the Pacific (1879-1883), Chile obtained sovereign rights to Bolivia's former-coastal territory. Currently landlocked and the poorest nation in Latin America, Bolivia refutes Chile's claim. Peru, also vanquished in the War of the Pacific, does not dispute land, but maritime access surrounding their shared border. Collectively, the disagreements increased regional surrounding the Chilean state.

⁸³ "Chile," *CIA: The World Factbook* available from <http://www.cia.gov/cia/publications/factbook/geos/ci.html>; Internet; accessed 25 July 2005.

⁸⁴ "Chile: Vegetation," *University of Texas* available from http://www.lib.utexas.edu/maps/americas/chile_veg_1972.jpg; Internet; accessed 22 July 2005.

1. Argentina

Chile and Argentina took great strides over the last quarter century to improve regional relations. In 1985 Chile and Argentina resolved the Beagle Channel dispute which dated back to 1847.⁸⁵ Claims over the islands of Picton, Lennox, and Nueva frustrated bilateral negotiations for years.⁸⁶ In May 1977 both states attempted arbitration through Britain.⁸⁷ Queen Elizabeth II sided in Chile's favor and the Argentines rejected her ruling. Within a year dialogue collapsed and the two nations sat on "the brink of open warfare."⁸⁸ Resultantly, the Vatican intervened in 1978 through special envoy Cardinal Antonio Samoré.⁸⁹ Seven years later, in May 1985, Chile and Argentina signed the current treaty in Rome.⁹⁰ The closure of nearly a century and a half wound proved a turning point in Argentine-Chilean relations.

The two countries used the successful Beagle Channel negotiations as a springboard for future dialogue. In August 1991 Presidents Aylwin and Carlos Saúl Menen inked an agreement which resolved twenty-two minor border disputes.⁹¹ Next, the neighbors targeted the second largest territorial rupture in their histories, La Laguna del Desierto. Control of the area remained a tenuous subject due to a 1965 firefight in the desert in which a Chilean *carabinero* died.⁹² Yet, after three years of study, sixty hours of oral arguments, and 4,400 pages of evidence, the states peacefully resolved the issue through arbitration in 1994.⁹³ Finally, in December 1998 Chile and Argentina settled their last territorial disagreement which stemmed from overlapping claims on the

⁸⁵ Beth A. Simmons, "Territorial Disputes and Their Resolutions: The Case of Ecuador and Peru," *United States Institute for Peace* available from http://www.usip.org/pubs/peaceworks/pwks27/chap2_27.html; Internet; accessed 22 July 2005.

⁸⁶ "Chile, General Relations," *The Library of Congress*, available at <http://lcweb2.loc.gov/>; Internet; accessed 17 June 2005.

⁸⁷ Simmons.

⁸⁸ Ibid.

⁸⁹ "Chile, General Relations."

⁹⁰ Ibid.

⁹¹ Ibid.

⁹² William F. Sater, "Engima de la Laguna del Desierto: Una Memoria diplomática," *Hispanic American Historical Review*, 81 (May 2001): 431-432.

⁹³ Commander Luis de la Fuente, Argentine Navy, "Confidence Building Measures in Southern Cone: A Model for Regional Stability," *Naval War College* available from <http://www.nwc.navy.mil/press/Review/1997/winter/art3wi97.htm>; Internet; accessed 20 July 2005.

continental ice shelf.⁹⁴ The Antarctic treaty brought to a close thirteen years of negotiations, all Chile-Argentine territorial disputes and decades of friction.

2. Peru

In addition to Argentina, Chile enjoys improved relations with Peru. Following the War of the Pacific, Peru and Chile signed the Treaty of Ancon in 1895.⁹⁵ According to the treaty, Chile controlled the formerly Peruvian territories of Tacna and Arica for a ten-year period after which a plebiscite was supposed to decide the area's fate.⁹⁶ Political maneuvering stalled the process until 1929, at which time President Herbert Hoover arbitrated a treaty.⁹⁷ Chile returned Tacna to Peru while retaining Arica for itself. Recently, in November 1999, the neighbors reaffirmed the division by signing three accords formally relinquishing Peru's claims to Arica.⁹⁸ Having resolved the dispute, Peru and Chile continue to fortify their relations.

The only potential territorial issue between the nations concerns the 1929 treaty's definition of maritime rights. In early 2003, politicians in Peru openly denounced the maritime boundaries defined by the 1929 treaty.⁹⁹ The politicians claimed "Chile is robbing [Peru] of 35,000 m² of significant fishing waters."¹⁰⁰ Yet, while the delegates clamored, neither the Peruvian or Chilean governments responded. Peruvian President Alejandro Toledo's preferred to "downplay traditional areas of friction" in order to better "champion the cause of mutual support for democratization and integration in Latin America."¹⁰¹ Across the border, Chile refused to discuss what it considers an already

⁹⁴ "Chile: External Affairs," *Jane's Sentinel Security Assessment-South America* [journal on-line]; available from <http://www4.janes.com.libproxy.nps.navy.mil>; Internet; accessed 24 July 2005.

⁹⁵ "International Boundary Study: Chile-Peru Boundary," *United States Department of State* 65 (Feb 1966): 4.

⁹⁶ *Ibid.*, 5.

⁹⁷ *Ibid.*

⁹⁸ "Chile, External Affairs."

⁹⁹ "Peru, External Affairs," *Jane's Sentinel Security Assessment-South America* [journal on-line]; available from <http://www4.janes.com.libproxy.nps.navy.mil>; Internet; accessed 24 July 2005.

¹⁰⁰ *Ibid.*

¹⁰¹ *Ibid.*

settled issue. Led by their respective Presidents, Peru and Chile focused on relations which “are better now than ever in the 125 years since the two countries went to war” instead of a maritime disagreement¹⁰²

3. Bolivia

Bolivia is the only state with a recent territorial dispute with Chile. Under President Carlos Mesa, Bolivia pushed for restoration of coastal access through the Atacama corridor in 2003. In the past, the issue appeared closed after a failed round of talks in the 1970’s resulted in broken diplomatic relations.¹⁰³ Yet, President Mesas and an accompanying “media offensive” reignited the issue” to distract Bolivians from domestic problems.¹⁰⁴ Resultantly, from 2003-2004 the issue grew in international importance as the Bolivians rallied around the President’s cause.

However, domestic troubles mounted in 2005, forcing Mesa’s resignation;¹⁰⁵ calls for regional autonomy and natural gas rights from indigenous groups replaced the President’s distracting rhetoric. As proof, Mesa’s successor, President Eduardo Rodriguez, did not mention the border division during his inaugural speech. Instead, the new President concentrated on issues such as “natural energy resources” and “national solidarity.”¹⁰⁶ With Bolivia focused on avoiding a potential civil war, the issue of coastal access appears moot.

Nonetheless, even if Bolivia reactivated their claims to coastal access, the path to territorial restoration would be difficult. If Chile granted sovereignty of the Atacama corridor to the Bolivians it would be subject to a Peruvian veto.¹⁰⁷ The Atacama corridor is former territory of Peru’s and according to a complementary protocol signed on the same day as the 1929 treaty, “neither government without previous arrangement with the other may cede to any third state (in this case Bolivia) all or any part of the territory

¹⁰² “Chile, External Affairs.”

¹⁰³ “Bolivia, External Affairs,” *Jane’s Sentinel Security Assessment-South America* [journal on-line]; available from <http://www4.janes.com.libproxy.nps.navy.mil>; Internet; accessed 24 July 2005.

¹⁰⁴ “Chile, External Affairs.”

¹⁰⁵ “Bolivian President Submits Resignation,” *CNN* available from <http://www.cnn.com/2005/WORLD/americas/06/07/bolivia/>; Internet; accessed 24 July 2005.

¹⁰⁶ “New Bolivian President’s Address,” *The British Broadcast Service* available from <http://news.bbc.co.uk/1/hi/world/americas/4080504.stm>; Internet; accessed 24 July 2005.

¹⁰⁷ “International Boundary Study.”

which, in accordance with the treaty, remained under their respective sovereignties.”¹⁰⁸ Under this agreement, Peru would have to approve the transfer of the Atacama to Bolivia, a highly unpopular measure with the Chileans. As a way of avoiding being put in this position, the Peruvians consider the matter a bilateral issue and steer clear.¹⁰⁹ Without Peruvian support, the issue of coastal access remains a lame duck for the Bolivians.

4. Implications for the Regional Balance

According to the United States Institute for Peace, border disputes involve highly sensitive issues with strong connections to nationalism and national identity.¹¹⁰ Hence, while “there may be good reasons to resolve border disputes, there are also often strong emotion-based political barriers to doing so.”¹¹¹ If disputes remain unresolved, they may provide a pretense for military mobilizations, intentional or unintentional, which can result in violence.¹¹² Resultantly, fewer disputes correlate with greater regional stability.

Applied to Chile, the nation greatly decreased external threats by peacefully negotiating the lion’s share of the border disputes. Relations with Argentina, once strained by twenty plus quarrels, are now “vastly improved” due the successful negotiation of *all* territorial claims.¹¹³ Concurrently, Chile and Peru’s relations are the best in over a century. The neighbor’s bilateral agreements in 1999 formally ended the states’ only land dispute. The current issue between the countries concerns maritime access, an issue both Presidents agree is secondary to “regional defence and the preservation of democracy.”¹¹⁴ Lastly, the once boisterous Bolivians are now consumed with domestic problems and are unable to pursue territorial claims. Even if the country avoids civil-war and resumes the campaign, Peru’s forced inclusion into the affair and Chile’s resistance minimize the possibility of regaining coastal access. With these territorial trip wires removed, the Chileans borders are more secure than anytime in their recent past.

¹⁰⁸ “International Boundary Study.”

¹⁰⁹ “Chile, External Affairs.”

¹¹⁰ Simmons.

¹¹¹ Ibid.

¹¹² Ibid.

¹¹³ “Chile, External Affairs.”

¹¹⁴ “Peru, External Affairs.”

F. CONCLUSION

Viewed from the military budget, military capability, economic strength, and regional relations perspectives, the Chilean threat environment continues to diminish. Over the last twelve years the military budgets in Argentina, Peru, and Bolivia fluctuated erratically or remained stagnate while Chile's increased by 40%. With the additional funds the qualitatively superior Chilean military invested in major weapon systems upgrades. The addition of Leopard 1V main battle tanks, Scorpene class submarines, and the General Dynamics F-16's, ensure Chilean dominance on land, sea, and air. Economically, Chile's growth in the last two decades continues to outstrip its neighbors. Between 1990 and 2004, Chile reduced the regional gap in GDPs from 6:1 1990 to 3.5:1 while climbing to 14th in the world in growth competitiveness. Lastly, the Chileans decreased territorial tensions over the last two decades. Highlighted by the Beagle Channel resolution in 1984, Chile resolved all territorial disputes with Argentina, Bolivia and Peru. Occasionally Bolivia attempts to reignite the issue, but domestic turmoil and Peru's veto status preclude serious debate. Free of territorial claims and superior in terms of budget, technology and economic growth, "Chile faces no credible external threats."¹¹⁵

¹¹⁵ "Chile, External Affairs."

III. DOMESTIC DETERMINANTS OF CHILEAN DEFENSE SPENDING

A. INTRODUCTION

This chapter explains why Chile has maintained relatively high levels of defense spending on sophisticated equipment since its transition to democracy, even though threat levels in the region declined markedly. It does so examining civil-military relations under the three governments of the center-left coalition, the Concertación, that have ruled Chile since the return to democracy. During the administration of Christian Democratic Presidents Patricio Aylwin (1990-1994) and Eduardo Frei, Jr. (1995-2000), the relatively high levels of defense spending were not a surprise to most observers. The 1980 constitution installed multiple budgetary guarantees which the autonomy of the military and their support from parties of the right prevented the new civilian government from eliminating. However, General Pinochet's arrest in London in 1998 and the resulting firestorm transformed the political power structure. The military lost its prestige, the right distanced itself from the armed forces, the judiciary began prosecuting human rights violations and the Concertación government headed by Socialist Ricardo Lagos (2000-2006) reengaged in constitutional reform. Despite the fluid political environment, military budgets remained steady and politicians made it clear the military budget guarantees will continue to be enshrined in the constitution. The evidence suggests that Chilean civilians left military spending untouched to avoid derailing a process of normalization of civil-military relations, during which a renovated military leadership took responsibility for human rights violations and pledged their subordination to civilian rule.

B. CONSTITUTIONAL GUARANTEES

When the Concertación assumed power in 1990 it faced numerous institutional obstacles to its goal of reducing military budgets. The outgoing authoritarian government of General Augusto Pinochet had erected four barriers to insulate military expenditures: the 1980 constitution, the Organic Law of the Armed forces, the Copper Law and a law setting a minimum below which defense spending could not fall. At the same time, an electoral system that overrepresented the parties of the right, the presence of designated

senators, and the high quorums required for reform, prevented the governing coalition from modifying the constitutional and legal provisions protecting the defense budget

The 1980 constitution, although slightly modified by a process of reforms in 1989, assigned the armed forces the mission to “guarantee the institutional order of the republic.”¹¹⁶ Additionally, article 93, “instructed that the President may name the senior officers to the post of the Chief of Staff of the Armed Forces and Carabineros.” Finally, articles 95 and 96 created a National Security Council which included the commanders of the armed forces and the Carabineros.¹¹⁷ Collectively, the measures “destined the armed forces to become the dominant political force of the new political system.”¹¹⁸

Barriers against amendments to the constitution further protected the military’s role. For example, in order for an amendment to the 1980 constitution to be passed, three fifths of both chambers of congress had to approve the change.¹¹⁹ After the initial vote, a sixty day waiting period followed by a simple majority to pass the amendment onto the President was needed. From this step the President could reject, alter, or accept the amendment. If the President opted to take either of the first two measures, a new vote requiring three quarters majority in both houses resulted. Under such a structure, the only way to amend the constitution was to form a “super majority or to outmaneuver the President.”¹²⁰

Already a major obstacle to future change, a second clause in the constitution raised the bar. The 1980 constitution allowed the President to appoint nine senators (The president directly appointed two senators, and then chose three from a list provided by the Supreme Court and four from a similar list from the National Security Council.).

¹¹⁶ Loveman, Brian, “Military Dictatorship and Political Opposition in Chile, 1973-1986,” *Journal of Interamerican Studies and World Affairs*, vol 28, no. 4 (Winter, 1986-1987), 3.

¹¹⁷ Ensalcado, Mark “In with the New, Out with the Old? The Democratizing Impact of Constitutional Reform in Chile,” *Journal of Latin American Studies* [journal on-line]; available from <http://www.jstor.org.libproxy.nps.navy.mil>; Internet; accessed 21 June 2005, 422..

¹¹⁸ Loveman., 3.

¹¹⁹ Ensalcado., 425.

¹²⁰ Ibid., 425-426.

With articles 43-45 of the constitution fixing the number of senators at 38, if the nine appointees voted as a block, they all but guaranteed a defeat for any amendment.¹²¹

Lastly, the constitution placed nearly insurmountable burdens on those who wanted to amend articles specifically pertaining to the armed forces. Chapters I (Principles of the Regime), VII (Constitutional Tribunal), X (Armed Forces and Forces of Order), and XI (National Security Council) all received special protections above and beyond the already robust general safeguards. Specifically, if an amendment dealing with one these chapters passed the regular hurdles, it would have to wait until both chambers (senate and congress) were reelected. Once that time passed, four to eight years depending on the interpretation, then the measure would have to be re-approved a second time by another majority.¹²² The lengthy delay and multiple votes all but guaranteed the status quo.

Next, Pinochet bargained with the reformers to install The Organic Laws of the Armed Forces in exchange for allowing the 1989 constitutional reforms. Equally binding as the constitution, *La Ley Organica de la Fuerzas Armadas*, increased military control of “internal operations, including promotions, organization, training and finances.”¹²³ The measures increased military autonomy while the 1989 reforms *potentially* eroded the military’s power in the long term.

In addition to constitutional safeguards and Organic Law, Pinochet embedded military budget guarantees in the 1980 constitution. Formally passed as law 13,196, or the better known “Copper Law,” it guaranteed a minimum level for military budgets based on copper exports.¹²⁴ Ten percent of copper revenues from Chile’s state-owned CODELCO were dedicated to defense “equipment procurement.”¹²⁵ Constitutionally

¹²¹ Ensalaco, 418.

¹²² Ibid.

¹²³ “Chile: The Constitutional Reforms of 1989,” *Library of Congress*, available from [http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field\(DOCID+cl0115\)](http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field(DOCID+cl0115)); Internet; accessed 21 June 2005.

¹²⁴ Baldez, Lisa, “Presidential Agenda Control and Spending Policy: Lessons from General Pinochet’s Constitution,” *Washington University*, available from <http://www.artsci.wustl.edu/~polisci/papers/careyb.pdf>; Internet; accessed 21 June 2005.

¹²⁵ “Defence Spending, Chile,” *Jane’s Sentinel Security Assessment-South America* [journal on-line]; available from <http://www4.janes.com.libproxy.nps.navy.mil>; Internet; accessed 21 June 2005.

safeguarded, the minimum spending set by the “Copper Law” rendered “civilian officials ineffectual in military policy decisions.”¹²⁶

Pinochet’s last measure to ensure military domination was indefinite fixed budgets. Introduced one week before the Concertación assumed power, law 18,948 guaranteed the armed forces a minimum budget “at least” equal to the military’s 1989 budget, of \$640 million.¹²⁷ Irreducible, the 1989 amount included inflation indexing for long-term budget stability.

In sum, the constitutional safeguards, “Copper Law,” and minimum budgets ensured military longevity. The constitution’s ultra-high barriers “debilitate[d] democratic institutions and restrict[ed] democratic rights.”¹²⁸ Since civilians would have little power to override the 1980 constitution, the military would enjoy autonomy and preeminence regardless of regime type. Additionally, the “Copper Law” placed military weapons acquisitions outside of the political and social arenas. Finally, law 18,948 gave autonomy to military budgets by fixing minimum spending levels. The top cover of a robust constitution, the floor of minimum budgets and a guaranteed influx of arms ensured long-term military preeminence in Chile.

C. BALANCE OF POWER, 1990-1998

Parties of the center and left, which favored military subordination to civilian rule and reduced military spending, have made up the governing coalition since the return to democracy in 1990. Christian Democratic Presidents Patricio Aylwin (1990-1994) and Eduardo Ruiz-Tagle (1994-2000) led the coalition during its first two terms in office. During Aylwin’s tenure, the President and the Concertación stressed the importance of symbolically establishing military subordination to civilian rule, even if this could not be accomplished in practice. President Frei, preferring a softer approach, pursued civilian control of the military through accommodation and dialogue.

In reducing military budgets, Presidents Aylwin and Frei’s efforts were blocked by the political balance of power in the legislature where designated senators and parties of the right combined to possess veto power over any government initiative. The parties

¹²⁶ Baldez.

¹²⁷ Ibid.

¹²⁸ Ensalaco., 425.

of the right, Renovación Nacional (RN) and the Unión Demócrata Independiente (UDI), felt an “independent security power”¹²⁹ such as the military served as a check on the unproven democracy. Similarly, the military – with General Pinochet at its head until March of 1998 – sought autonomy and a position from which they were “capable of influencing politics.”¹³⁰ Wary of the civilian government, the military saw themselves as protectors of stability. Also, the armed forces desired insulation against prosecution for past human rights abuses. The ideological beliefs as guarantors of stability, their self-interest in autonomy, and future protection from prosecution, cemented the opposition into a cohesive block.

With Chile ideologically split, the congressional elections of 1989 and 1997 impeded constitutional reform. During the 1989 elections, the Concertación won 66 of 120 seats in the lower house and 20 of 38 elected seats in the Senate. In 1997, the coalition won 70 and 20, respectively. Although the Concertación won both elections, the 9 appointed senators tipped the senate in favor of the conservative parties. Political gridlock resulted.

Outgunned in the legislature, Presidents Aylwin and Frei undertook efforts to reduce defense spending through other means as part of their broader efforts to reform civil-military relations and tend to the socioeconomic needs of their constituents. The following section demonstrates, although they met with some success in keeping defense spending in check, spending levels stayed at a much higher level than one would have predicted given reduced threat levels in the region and the preferences of the governing coalition.

1. Aylwin Administration, Civil-Military Relations and the Defense Budget (1990-1994)

Beginning with Patricio Aylwin’s inauguration in March of 1990, the President “attempted to address the issue of civilian supremacy over the military.”¹³¹ In public,

¹²⁹ "Chile, The Constitutional Reforms of 1989."

¹³⁰ Fuentes, Claudio, “After Pinochet: Civilian Policies toward the military in the 1990 Chilean democracy,” *Journal of Interamerican Studies and World Affairs*, vol 42, num 3 (Fall 2000), 119-120.

¹³¹ Ibid.

President Aylwin surprised observers by standing up to Pinochet. If displeased with the Army commander's behavior, President Aylwin often summoned Pinochet for one-on-one meetings.¹³²

Symbolically significant, the President's actions provided few changes. Presidents Aylwin and Frei learned beyond the rhetoric and symbols they "did not have enough legal tools to reduce the military's autonomy."¹³³ Understanding these shortcomings, the armed forces increased frustrations by exercising their independence. Under the authority of the Organic Law, the military created "their own programs, changed their logistical structure and bought new weapons with minimal civilian influence."¹³⁴ Twice during President Aylwin's tenure, the military staged independent troop movements without civil notification (*El Boinazo* and *El Ejercicio de Enlace*). The government, which opposed the movements, either met the infractions with superficial meetings or went to the National Security Council. A hold over from the Pinochet-era, the NSC only "blurred the military's subordinated position in relation to the President."¹³⁵ Able to act independently, frustrate the reform process, and exercise authority under the Organic Law, the military evaded civilian control.

The Aylwin government, frustrated by its congressional weakness and the military's autonomy, used the military's budget minimum (law 18,948) to curb military expenditures. Between 1990 and 1994, President Aylwin provided the military the minimum budgets as specified in the 1989 guarantees, adjusted for inflation. As the Chilean economy grew and inflation remained low, the military's proportion of government expenditures shrank and total defense expenditures stagnated. Military outlays as a percent of the national budget dropped from 15.60% in 1989 to 10.25% by 1994. Defense budgets hovered at \$1 billion (\$US billions, 1996) throughout the period. What General Pinochet designed as a guarantee of military autonomy transformed into a tool for civilian control of defense budgets.¹³⁶

¹³² "Chile, The Presidency," *The Library of Congress*, available at <http://lcweb2.loc.gov>; Internet; accessed 17 June 2005.

¹³³ Fuentes, 120.

¹³⁴ Ibid.

¹³⁵ Ibid.

¹³⁶ Ibid, 125.

2. The Frei Administration, Civil-Military Relations and the Defense Budget (1994-1998)

Not wanting to continue the political-military gamesmanship of his predecessor, President Frei sought a different approach. Sharing the view of many leaders “that the political context inhibited, at least in the short run, any constitutional reform,”¹³⁷ President Frei shifted the “government’s global strategy [to] emphasize issues such as the country’s modernization.”¹³⁸ Education, health care, infrastructure, and international relations overtook the military debate. Concurrently, Chile’s growth reached annual levels of 6% or greater.¹³⁹ In order to sustain such a rate, the government had to attract foreign investors. Resultantly, selling the image of domestic tranquility displaced the potentially volatile political reform process.¹⁴⁰

In order to present a pacific domestic image, President Frei tried to promote dialogue between Chile's government and military. The President's first step was to discontinue President Aylwin's policy of minimum defense expenditures. Second, President Frei appointed Edmundo Pérez-Yoma as defense minister. Pérez-Yoma proved much less combative in dealing with the military, developing a personal relationship with General Pinochet and including ex-military members amongst his "iron circle" of advisors.¹⁴¹ Next, President Frei attempted to "break the prejudices"¹⁴² against the military by cooperating with the army's initiative to increase the number of civilians awarded defense degrees. The number of civilians receiving master's degrees at the army's War College jumped from the historic level of 50% to 80% by 1998.¹⁴³ Lastly, the Ministry of Defense published the first ever “Defense White Book” in 1997.¹⁴⁴ The publication "neutralized military concerns over whether or not civilians would every

¹³⁷ Fuentes, 120.

¹³⁸ Ibid.

¹³⁹ “Chile, The Constitutional Reforms of 1989.”

¹⁴⁰ Ibid.

¹⁴¹ Fuentes, 128.

¹⁴² Weeks, 124.

¹⁴³ Ibid..

¹⁴⁴ Ibid.

seriously or systematically address the country's defense."¹⁴⁵ Collectively, the measures aimed at building trust through civil-military dialogue.

Despite President Frei's overtures towards the military, the armed forces continued to exercise their autonomy. In May 1995, the Supreme Court sentenced Manuel Contreras, former Chief of the National Intelligence Service, and Colonel Espinoza, his second in command, to seven and six years in prison, respectively.¹⁴⁶ The armed forces responded to Contreras' sentence by transferring him to a naval hospital for "humanitarian reasons."¹⁴⁷ General Pinochet, however, justified the action as a response to Contreras' "unjust" verdict. Meanwhile, in dealing with Colonel Espinoza, who entered regular prison without incident, the army issued a warning to the government. On 22 July, three hundred military officers paid a visit to the Colonel as part of a "peaceful" demonstration against the government. Later titled *El Peucazo*, the movement and General Contreras' sudden transfer underscored the military's suspicion and disdain for civilian government.

With civil-military overtures proving fruitless and the military continuing to exercise their autonomy, defense expenditures remained steady throughout the period. Between 1994 and 1998, defense expenditures as a percent of the national budget dropped from 10.25 to 9%. However, total expenditures in \$US dollars and Chilean pesos (pCH) increased. In terms of U.S. dollars, outlays swelled by 13% from \$US 1.08 billion to 1.22 billion. In Chilean pesos, budgets jumped by 12% from 570 million to 640 million pesos. The copper law, spending minimums and Organic Laws remained without modifications.

D. PINOCHET'S ARREST AND ITS POLITICAL IMPLICATIONS

Civil-military relations remained unchanged in Chile until 16 October 1998. On that fateful morning General Pinochet lay in a hospital bed recovering from back surgery when British authorities seized the General on behalf of Spanish Judge Baltasar Garzón.

¹⁴⁵ Weeks, 124.

¹⁴⁶ Fuentes, 129.

¹⁴⁷ Ibid.

Following Judge Garzón's orders, the British courts charged the general with murder, conspiracy to murder, hostage taking, torture, and kidnapping.¹⁴⁸ Press agencies worldwide broadcast the shocking news.

General Pinochet's arrest unleashed an unexpected chain of events in Chile that weakened the political power of the military and seemed to provide the preconditions for the center-left governing coalition to reduce military prerogatives, including the defense budget. The right, with its first opportunity in decades to win presidential election, deserted Pinochet in the name of electoral expediency. The judiciary, surprisingly moved by international developments, began its own campaign of trials against Pinochet and other members of the armed forces accused of human rights violations. The military itself, affected by both of these processes, deepened a process of subordination to civilian rule that had begun when General Pinochet stepped down in 1998 as head of the Armed Forces. Within this context, the administration of President Ricardo Lagos (2000-2005) saw the opportunity to normalize civil-military relations by reducing the institution's political prerogatives but continuing to defend its institutional prerogatives, including a defense budget suitable for force modernization. This section discusses the impact of Pinochet's arrest on three key actors – the right, the judiciary and the military. The following section describes and explains the somewhat surprising decision of the government of the Socialist President Lagos to respond to the fluid political environment by increasing defense spending levels.

1. The Right

Ardent supporters of Pinochet, the General's arrest forced the right to decide between backing the General or changing tack. The 1999 elections, and the right's chance of winning them, pushed the right away from Pinochet. Heading into the elections, polls indicated Joaquín Lavín, the right's presidential candidate, had a legitimate shot at winning. Already popular among moderates, the Concertación's nomination of socialist candidate instead of a Christian Democrat boosted Lavín's appeal with centrists. Additionally, the Concertación and the right understood that whoever won

¹⁴⁸ Fuentes, 129.

the elections would have to immediately deal with the Pinochet issue. Not wanting to lose support of the center and recognizing the General's decline, Lavín, "consciously distanced himself from Pinochet."¹⁴⁹

Mr. Lavín and the right's strategy of disassociation nearly worked. In the first round of elections Mr. Lavín garnered 47.51 percent of the vote to Ricardo Lagos' 47.95 percent. In the ensuing runoff election Joaquin Lavín lost by a scant 2.4 percent, a result that confirmed the wisdom of the right's strategy to distance itself from Pinochet.¹⁵⁰ Impressed by Lavin's showing, the parties of the rightist coalition decided "to accept the inevitability of a solution to the human rights issues" and hedge towards the political center in the future.¹⁵¹

2. Judiciary

Next, Pinochet's trial transformed the judiciary from a tertiary actor to a key player in state policy. The General's prosecution "accelerated several dynamics that were slowly progressing until then,"¹⁵² resulting in an "explosion of trials in Chile which until then had been developed timidly by the Judiciary."¹⁵³

The judiciary channeled their resurgence into a two pronged attack on General Pinochet and his old commanders. Until 1998, the 1978 amnesty decree successfully shielded military leaders from prosecution in at least 80% of cases involving the 2,603 officially recorded "disappearances."¹⁵⁴ In 1998, the courts reinterpreted the amnesty law in that "cases of disappearance, as long as there was no evidence of death, should be viewed as ongoing cases of kidnapping."¹⁵⁵ Armed with this new interpretation, the judiciary stepped up prosecutions of junta era commanders.

¹⁴⁹ Weeks, 141.

¹⁵⁰ Agüero, 304.

¹⁵¹ Ibid.

¹⁵² Marcos Robledo, "Institutions and Beyond: Explaining Democratic Consolidation in Chilean Civil-Military Relations, 2000-2004 (Monterey, Naval Postgraduate School, 2004), 22.

¹⁵³ Ibid.

¹⁵⁴ "Chile: 30 Years After the Coup, A Chance for Justice," *Human Rights Watch*, available at <http://hrw.org/press/2003/09/chile090903.htm>; Internet; accessed 1 Aug 2005.

¹⁵⁵ Agüero, 300.

By January 2002 the courts charged over one hundred retired officers for their involvement in known deaths and disappearances. In January of 2004, the Santiago Appeals Court upheld the conviction of General Manuel Contreras, the notorious DINA boss. By mid-2004, the number of former military personnel charged or convicted reached 311, of which twenty-one were generals.¹⁵⁶

With the myth of immunity surrounding the military shattered, prosecuting Pinochet became the judiciary's top priority. When Pinochet returned to Chile on 3 March 2000, he was stripped of his senatorial immunity by domestic courts within a month. After the appellate court upheld the verdict, the Chilean Supreme Court finalized the action on 8 August 2004.¹⁵⁷ By year's end, the once proud general became an increasingly irrelevant figure in Chilean politics.

3. The Military

Finally, the Pinochet ordeal changed the composition of the military actors. For the older officers, judicial pressures and forced retirements thinned their ranks. By the end of 1998, the number of junta era generals shrunk from a 1984 high of fifty-one to forty-two.¹⁵⁸ In the same year, twelve senior officers retired, the largest outpouring since 1988.¹⁵⁹ For the younger officers, the trials sped up their transition to top leadership positions. Chile's "Ley Canessa," which limits military service to a maximum of thirty-seven years after an officer's commission unless an extension is granted by the chief executive, began to affect senior officers at the time of the trial.¹⁶⁰ Due to rekindled reform efforts, President Frei declined the extensions to senior leadership involved directly or indirectly in the coup.¹⁶¹ Younger officers replaced the forced retirees. Thus, as the Pinochet case dragged on, the leadership of the military shifted.

The shift in the overall composition of the office corps facilitated the task of installing General Izurieta, who had been appointed to replace Pinochet as head of the

¹⁵⁶ "Chile, Essential Background," *Human Rights Watch*, available at <http://hrw.org/english/docs/2005/01/13/chile9846.htm>; Internet; accessed 30 July 2005.

¹⁵⁷ Weeks, 147.

¹⁵⁸ *Ibid.*, 121.

¹⁵⁹ *Ibid.*

¹⁶⁰ *Ibid.*, 122.

¹⁶¹ *Ibid.*

Armed Force in mid 1998. Backed by President Frei, General Izurieta had the least seniority of the five generals nominated for the command. Prior to his appointment, General Izurieta's career had been "almost entirely professional, so Pinochet had never acted as his mentor."¹⁶² Also, Izurieta spent many years working as an attaché in the United States. The General's professionalism within the civilian controlled billet earned the praise of former Chilean ambassador John Biehl and Defense Minister Pérez.

The new leadership (led by General Izurieta), coupled with "a growing sense of isolation," initiated a rethink in military policy.¹⁶³ Senior officers, under judicial scrutiny and with investigations resulting in criminal charges or retirement, had their political power curtailed. The younger officers pursued normalized relations with the populace and civilians in power. The unthinkable -- cooperation with human rights investigations -- became a central goal. Army General Carlos Salgado believed increased openness would contribute to "harmony and peace for the national soul."¹⁶⁴ Chief of the Navy, Admiral Vergara, stated "We want to support all Chileans...we want to be a modern force at the service of the country."¹⁶⁵ Tarnished by their past, the military hoped to forge a positive role in Chile's future.

Concurrently, the military sought "a way out of isolation and...a move that would begin to solve problems that kept them from concentrating on [their] professional mission."¹⁶⁶ In 1999, the Ministry of Defense and the military agreed to a "Mesa de Dialogo" on human rights issues which called for "truth, justice, reparation, and pardon without specific conditions or timetables."¹⁶⁷ Within this framework, the armed forces, as an institution, admitted and apologized for abuses previously blamed on individuals. Additionally, the military "signed a text in which they express[ed] a changed, democratic, vision of the democratic breakdown, and on the human rights they had previously

¹⁶² Weeks, 122.

¹⁶³ Aguero, 300.

¹⁶⁴ Weeks, 145.

¹⁶⁵ Robledo, 19.

¹⁶⁶ Aguero, 300.

¹⁶⁷ Weeks, 145.

institutionally violated, then justified, and neglected.”¹⁶⁸ Disclosure of crimes, prosecution of officers, and a transition to civilian subordination all occurred “without a single episode of resistance.”¹⁶⁹ This contrasted noticeably with the army's very public expression of its "fundamental disagreement" with the national report on human rights (the Rettig Report) in 1991 and its refusal to seek pardon for the democratic breakdown and subsequent violations of human rights.¹⁷⁰

E. NORMALIZATION OF CIVIL-MILITARY RELATIONS

Witness to much of the upheaval following Pinochet's arrest, the Lagos regime pursued a conciliatory strategy with the armed forces. Instead of further intruding in military affairs (as the judiciary was already prosecuting retired officers), the executive sought to build on the Frei administration's initiatives to normalize relations. In 2002, President Lagos appointed Michelle Bachelet as minister of Defense. The daughter of an air force general (Alberto Bachelet) who died from torture after his 1974 arrest, Bachelet made only positive comments about the military during her tenure, promoting military acceptance. Also, the Lagos regime appointed Juan Emilio Cheyre Espinosa as the new head of the army. Upon assuming command, General Espinosa visited every regiment and division in the country, accepting inputs towards developing a new "concept of demand."¹⁷¹

In response to President Lagos' actions, the armed forces have continued to reaffirm their commitment to human rights and civil subordination. On 5 November 2004, General Juan Emilio Cheyre, Commander-in-Chief of the Chilean army, stated, “The Army of Chile made the difficult, but irreversible decision to assume responsibility as an institution for all of the reprehensible and morally unacceptable actions of the past.”¹⁷² On 10 November, Admiral Miguel Vergara, Commander in Chief of the Navy, declared “For the 25,000 people I am in command of now I put my hands to the fire that

¹⁶⁸ Robledo, 18.

¹⁶⁹ Ibid., 23.

¹⁷⁰ Fuentes, 122.

¹⁷¹ Weeks, 151.

¹⁷² “Repercusiones de su documento: General Cheyre teme ser “mal interpretado,” *El Mercurio*, available at http://www.mpmr.org/noticias/repercusiones_cheyre.htm; Internet; accessed 28 July 2005.

none of them are involved in violations of human rights.”¹⁷³ Next, on 12 November 2004, Arturo Herrera, head of the civil police admitted, “We were not beyond the actions that caused damage, pain and suffering for many people.”¹⁷⁴ Across the majority of services, the commanders expressed their dedication to human rights.

Amidst the shifts in civil-military relations between 1998 and the present, Chile's military budgets increased. Following Pinochet's 1998 arrest, the defense budget as percentage of GDP increased for four straight years from 1.59% to 1.79%. Expressed as a percentile, military outlays jumped nearly 9%. In terms of Chilean pesos, the budget grew by 95 million pesos or 13% during the same period.¹⁷⁵ Only when calculating the budget in U.S. dollars, did outlays fall. Despite this, the armed forces purchased Black Hawk Helicopters, P-3 Orion's, F-16 multi-role fighters and four advanced frigates during this period. These acquisitions and the past budgets confirm, despite the fluid political environment, that Chilean defense expenditures remain a solid fixture.

1. Constitutional Reforms

A process of constitutional reforms also played a central part in President Lagos' plan for normalizing civil-military relations in Chile. As the Presidential candidate for the Concertación in December 1999 elections that took place amidst the publicity surrounding Pinochet's arrest and pending trial, Socialist Ricardo Lagos campaigned on a platform of "a constitution that passes the test of full democracy."¹⁷⁶ Once in office, President Lagos and congressional supporters refined their goals to including removing the "authoritarian enclaves" such as designated senators and life seats in Congress for former president and restoring the president's right to fire military commanders.¹⁷⁷ Significantly, the reforms did not include any changes in the legal or constitutional guarantees of defense spending.

In October 2004 José Miguel Insulza, Chile's interior minister, and Hernán Larraín, the Senate President and member of the opposition UDI, brokered a deal for

¹⁷³ “Repercusiones de su documento: General Cheyre teme ser “mal interpretado.”

¹⁷⁴ Franklin Zeballos, “Policía de Investigaciones Pide Perdón,” *El Mercurio*, 13 Nov 2004.

¹⁷⁵ *Libro*, 208.

¹⁷⁶ “Chile's New Constitution: Untying the Knot,” *The Economist*, 21 Oct 2004.

¹⁷⁷ Hernán Cisternas, “Reformas Ponen Fin a la Etapa de Transición,” *El Mercurio*, 14 July 2005.

constitutional reform. Shortly thereafter, the Senate voted unanimously to abolish appointed senators (when their terms expire in 2006), to reinstate the President's right to fire military commanders, and to eliminate life-long senate seats for former Presidents. After a year of further negotiations, the two parties agreed to a full session of Congress on 16 August 2005 to finalize the accord in the lower house. Passed with little opposition, the law will be enacted by the end of 2005.¹⁷⁸

Parties across the political spectrum declared the reforms "a historic moment in the consolidation of democracy in Chile."¹⁷⁹ President Lagos stated, "We can now say that the transition in Chile has concluded."¹⁸⁰ Andrés Zaldívar, a senator from the PDC, affirmed "The reforms were the ultimate missing element to conclude the transition."¹⁸¹ Hernán Larraín, a UDI senator, highlighted "With this accord democracy has been perfected and deepened, giving stability to the country."¹⁸² President Lagos declared "victory for Chile."¹⁸³ Contented with the military's subordination and mission, reducing expenditures no longer appears a civilian priority.

F. CONCLUSION

Prior to General Pinochet's arrest, Chile's high military budgets are easily explainable. The "Copper Law," budget minimums, Organic Laws of the Armed Forces and the 1980 constitution guaranteed a position of preeminence for the military. The UDI and RN, allied with the military, combined their senate seats with the appointed members to frustrate constitutional reform efforts. Additionally, the military evaded human rights prosecutions, staged independent troop movements, and retained autonomy. In response, military budgets remained stable, dropping as a percentage of the national budget, but increasing in total value in terms of \$US dollars and Chilean pesos.

Analyzing the 1998-present period the explanation for high budgets becomes more difficult. Pinochet's arrest in 1998 besmirched the military name. Resultantly, the

¹⁷⁸ Cisternas.

¹⁷⁹ Ibid.

¹⁸⁰ Ibid.

¹⁸¹ Ibid.

¹⁸² Ibid.

¹⁸³ Ibid.

judiciary increased prosecution of the General and his subordinates and the right distanced themselves from the armed forces. The Concertación, which up to 1998 avoided constitutional reform, reinitiated the venture, this time enlisting the right. Able to overcome the authoritarian hurdles in the constitution jointly, the coalitions eradicated what they felt to be all “authoritarian enclaves” in the document but removal of defense budget guarantees was noticeably absent. Meanwhile, retirement and prosecution of senior officers and the rise of younger officers transformed military leadership. The armed forces responded by cooperating in human rights investigations. The government reciprocated by not removing budget guarantees, furthering the "normalization" of civil-military relations. But is this a stable equilibrium? Will civilians reduce defense spending once the military is clearly subordinated? The next chapter shows spending guarantees will remain. Civilian elites justify spending levels and the cultivation of a modernized military as essential to the military's new mission -- peacekeeping. This mission is designed to ensure continued military subordination while satisfying civilian foreign policy goals.

IV. CIVILIAN AND MILITARY BENEFITS FROM PEACEKEEPING

A. INTRODUCTION

This chapter argues that peacekeeping will remain an important mission for the Chilean military in the foreseeable future because it serves the interest of both the military and civilian elites. Militarily, peacekeeping increases and justifies budgets, and boosts personal pay and morale. For the government, peacekeeping drives civil-military dialogue, provides a conventional and subordinate role for the armed forces, and enhances Chile's international presence. Benefiting each side individually, peacekeeping dually promotes stability and predictability in civil-military relations. As such, Chile's commitment to peacekeeping will endure. In order to prove this, the first section of the chapter addresses the theoretical advantages of peacekeeping as a mission for stable democracy and the second section examines these arguments in light of evidence from Chile.

B. THEORETICAL ADVANTAGES OF PEACEKEEPING

Before analyzing Chile's peacekeeping policies, it is important to understand the theoretical impact of the mission on peacekeeping force providers. Over the last two decades global peacekeeping operations increased dramatically. From the inception of PKOs in 1948 to 1990, the number of UN sponsored missions totaled eighteen.¹⁸⁴ From 1990-2004 the total jumped to fifty-nine, an increase of over two hundred percent.¹⁸⁵ Troop participation rose as well. In 1988, 10,000 ground personnel participated in PKOs. By 1993, 78,000 troops were deployed and in October 2004, 63,000.¹⁸⁶ The increase in personnel and total missions cement PKOs as a fundamental UN mission.

This increase in PKOs and demand for peacekeepers after 1990 creates a new opportunity for military and civilian governments alike. Theoretically, governments can use PKOs in order to increase international exposure as well to foment civil-military reform. Conversely, the armed forces, in an era of shrinking traditional threats, recognize

¹⁸⁴ Richard, Bruneau, "Selfishness in Service of the Common Good: Why States Participate in UN Peacekeeping," *Norman Patterson School of International Affairs* (November 2004): 1.

¹⁸⁵ Ibid.

¹⁸⁶ Ibid.

peacekeeping as a stable mission with associated budgets and incentives. With civilian and military authorities mutually benefiting from PKOs, the missions will increase in importance as long as traditional threats do not upset the advantageous arrangement.

1. Military Incentives

Peacekeeping operations (PKOs) offer a range of benefits for military forces, from increased training to international prestige. Of these advantages, one of the most important for developing countries is justification for stable budgets. Following the end of the Cold War, nearly every country, including the United States, searched for a new role for their militaries. Installations closed down and budgets dwindled as civil scrutiny and competition for government resources increased. Feeling this pressure, many commanders warmed up to peacekeeping as a way to create an “ongoing” mission for the military.¹⁸⁷ Not surprisingly, resistance to peacekeeping diminished and the number PKOs swelled in the 1990s. Many militaries rely on PKOs to validate budgets personal pay and pensions.

PKOs are especially attractive due to their low cost to the deploying country. In 2004, the United Nations reimbursed contributing countries US\$1000/month for each uniformed member deployed.¹⁸⁸ Specialists received an additional 25% stipend.¹⁸⁹ Officers collected a per-diem ranging from \$85-120.¹⁹⁰ In comparison to many countries, the extra pay dwarfs or considerably increases base salaries. The result is a reduction in domestic expenditures and an incentive for military participation.

A second factor that drives down cost is logistical support. First, units deployed “enjoy the advantage of being well-funded with regard to fuel and spares.”¹⁹¹ Supplies provided by the UN often grease the wheels of poorly supplied armed forces. An Argentine commander serving in Cyprus stated, “We are used to doing a lot with very little at home, the UN provides adequate resources for the accomplishment of the

¹⁸⁷ Antonio L. Palá, “Peacekeeping and Its Effects,” in *International Security and Democracy: Latin America and the Caribbean in the Post-Cold War Era*, ed. Jorge I. Domínguez (Pittsburgh: University of Pittsburgh Press, 1998), 131.

¹⁸⁸ Bruneau, 12.

¹⁸⁹ Palá, 138.

¹⁹⁰ Ibid.

¹⁹¹ Ibid., 137.

mission.”¹⁹² Second, the UN provides the bulk of mission planning. UN staffers draw up the participating force’s goals, number of minimum operations, sorties, manhours for observation duty, etc.¹⁹³ The centralized logistical planning reduces workload while increasing interoperability. Adding to UN reimbursements, the supplies and logistic support further diminish home state costs.

Third, militaries receive material benefits such as hardware and training for participation in PKOs. The training enforces UN mandates and the rewards state contributions. As examples, Argentina, despite opposition from the British, received radar upgrades for their A4M Skyhawks for their peacekeeping endeavors in the 1990’s.¹⁹⁴ Additionally, Uruguay and Argentina received C-130s for prior UN commitments.¹⁹⁵ Next, Yugoslavian pilots received NATO training and doctrine in order to help them enforce Iraq’s “no fly-zone.”¹⁹⁶ The combined hardware and training provide a strong incentive for military participation.

Fourth, the military gains valuable combat and simulated-combat experience by participating in PKOs. The majority of PKOs are conducted in hostile field conditions that “approximate” actual combat.¹⁹⁷ The parallels between domestic exercise and PKO reality increase military readiness. As proof, interviews with four hundred Argentine officers who served in peacekeeping missions revealed 94% felt “peacekeeping serves a valuable role.”¹⁹⁸ Additionally, state inquiries into Canada’s deployment of forces to Somalia reported “peacekeeping skills enhance the security and combat capacity of Canadian troops.”¹⁹⁹ Military forces, enjoying UN supplies, employ tactics learned in training, increasing combat readiness.

¹⁹² Palá, 137.

¹⁹³ Ibid.

¹⁹⁴ Ibid., 135.

¹⁹⁵ Ibid., 138.

¹⁹⁶ Ibid., 138-139.

¹⁹⁷ Ibid., 135.

¹⁹⁸ Ibid., 137.

¹⁹⁹ Sharon Hobson, “Peace-support operations training: Skills for Peace,” in *Jane’s Defence Weekly* (July 2002), 1.

In addition to training, pay, and concessions, PKOs boost morale. PKOs provide the armed forces a “valid military mission on a highly visible stage.”²⁰⁰ As such, PKOs help “re-legitimize officers...who had lost the due deference of citizens.”²⁰¹ The improved relations help form “a better partnership with civilian authorities and society.”²⁰² Integrated within the state and government, armed forces become “a valuable player in the government’s foreign policy.”²⁰³ Morale increases as military’s receive respect in arenas where they “previously found disdain.”²⁰⁴

Lastly, PKOs provide a forum for interaction amongst armed forces. The international flavor of PKOs exposes units to alternate languages, histories, politics and economics. This contact with other armed forces increases tolerance as well as professionalization of units.²⁰⁵ Additionally, interaction furthers integration, cooperation and most importantly interoperability between nations.²⁰⁶ Immersed in a multi-cultural environment, the military’s becomes more tolerant while shedding the veil of secrecy under which many function.

In short, PKOs provide a gamut of advantages for armed forces. PKOs provide a respected mission in the post Cold War era. With many nations facing budgets cuts and trying to replace aging equipment, UN reimbursement and logistical support increase personnel pay while diminishing the “home state burden.”²⁰⁷ Additionally, militaries receive concessions such as spare aircraft or specialized training. Once deployed, participants experience combat-like environments which increase military readiness. Morale increases as the “highly visible” mission reinserts the military in civil society.

²⁰⁰ Palá, 131.

²⁰¹ Rut Diamint, “The Military,” in *Constructing Democratic Governance in Latin America*, ed. Jorge I. Domínguez, 2d ed. (Baltimore: John Hopkins University Press, 2003), 68.

²⁰² Palá, 139.

²⁰³ Bruneau, 12.

²⁰⁴ Palá, 139.

²⁰⁵ Bruneau, 12.

²⁰⁶ Ricardo E. Lagorio, “Cooperative Security and Peace-Keeping Operations,” in *International Security and Democracy: Latin America and the Caribbean in the Post-Cold War Era*, ed. Jorge I. Domínguez (Pittsburgh: University of Pittsburgh Press, 1998), 128.

²⁰⁷ Palá, 137.

Lastly, cross-training increase soldiers' professionalization and interoperability. For armed forces with a diminished importance, these benefits synergistically increase the militaries' strategic value.

2. Civilian Leadership Incentives

PKOs offer civilians numerous benefits as well. In Latin America one of the greatest challenges remains the “incorporation and accommodation of the armed forces within the democratic equation.”²⁰⁸ According to Claudio Fuentes, civil-military interactions fall under three categories: *division of spheres*, *non-cooperation* and *engagement*.²⁰⁹ If a government pursues *division of spheres*, both sides function under the agreement “we shall not meddle in your affairs if you do not meddle in ours.”²¹⁰ Under *non-cooperation*, the government excludes the military from policy making decisions. Lastly, *engagement* attempts to include the military in government policies. Of the three strategies, Mr. Fuentes finds, *engagement* is “the best way to achieve subordination.”²¹¹

Fortunately, PKOs promote civil-military *engagement* in three ways. First, PKOs provide the armed forces a role and a mission. Instead of “maintaining an ill-equipped, underpaid, and unused military establishment,”²¹² PKOs provide training, pay, and a sense of purpose. Increased budgets, foreign policy inputs as well as a mission on a global stage, engages military capacities. Once a stagnant force, militaries are reinvigorated with a credible mission.

Second, PKOs enhance civil-military dialogue. In the words of Rut Diamint, “Neither military goal statements nor the allocation of resources and equipment are enough to guarantee a proper role for the military professional without the military’s recognition and institutionalization of its accountability to civilian authorities.”²¹³ The high level of civil-military interaction in PKOs institutionalizes accountability. Defense

²⁰⁸ Palá, 130.

²⁰⁹ Fuentes, 119-120.

²¹⁰ Diamint, 44.

²¹¹ Fuentes, 120.

²¹² Palá, 132.

²¹³ Diamint, 45.

ministries identify, coordinate and direct PKOs. In return, militaries receive budgets and carry out “manpower-intensive endeavors.”²¹⁴ The exchange reaffirms the military mission while codifying civilian authority. The Argentine Defense Minister in 1995 stated, “[PKOs] not only gives members of the armed forces a deep feeling of professional pride, but also an international outlook which is very much helping to consolidate the military as a pillar of the constitutional system.”²¹⁵ The end result is increased military engagement and dialogue, both of which promote subordination.

Lastly, PKOs increase transparency and oversight in military affairs. During PKOs, military personnel work alongside NGOs, international observers, and health providers.²¹⁶ Faced with international organizations, military are careful and avoid violating their sensibilities. Additionally, oversight agencies monitor military actions. Data is collected on troop movements, missions, training, etc. then disseminated at which point it becomes public record.²¹⁷ Combined, the international oversight and constraints on behavior increase transparency. When added to the civil-military dialogue and the sense of mission, the transparency cements armed forces into the “democratic equation.”

In addition to integrating the military, PKOs serve as a catalyst for greater international exposure.²¹⁸ Small to medium sized states may use the international draw of peacekeeping to compliment their foreign policy objectives. International press casts governments in a positive light boosting their regional and global credibility. Argentina’s former president, Carlos Menem, stated “the main idea [participating in peacekeeping operations], from the political point of view, is to raise the profile, let others know about Argentina.”²¹⁹ The President’s formula worked as Argentina became the United State’s darling throughout the 1990’s.²²⁰ Able to harness attention from PKO participation, states increase international political capital.

²¹⁴ Palá, 144.

²¹⁵ Bruneau, 13.

²¹⁶ Diamint, 45.

²¹⁷ Palá, 147.

²¹⁸ Ibid., 132.

²¹⁹ Stacey Evers, “Peacekeeping is the Key to Higher Profile,” *Jane’s Defence Weekly* (May 1997), 1.

²²⁰ Palá, 132.

In summary, civilian authorities greatly benefit from peacekeeping. Facing the challenge of civil-military reform, democracies are advised to pursue the *engagement* strategy. PKOs complement *engagement* as they provide a respected mission that requires sustained budgets and equipment upgrades. While the benefits do not guarantee military subordination, the high level of civilian management and control of PKOs stimulates civil-military dialogue. Transparency and international oversight increases trust as both sides' actions are public record. Finally, the international exposure of peacekeeping casts small-to-medium nations on an international stage. Collectively, the advantages promote state participation in PKOs, civilian supremacy and a mutually beneficial civil-military arrangement.

C. THE ROLE OF PKOS IN CHILEAN CIVIL-MILITARY RELATIONS

Chile's current civil-military arrangement supports the arguments set forth by proponents of the benefits of peacekeeping. Chile's military desires institutional justification. Falling threat levels no longer validate military budgets. Conversely, civilians crave military subordination as well as a global diplomatic presence. With the democratic transition "completed," the government remains wary of the constitutionally funded yet idle Chilean military. As a result, both sides use peacekeeping to achieve their separate goals. The armed forces enjoy high budgets, morale, and purpose while the civilians subordinate the military and project their presence on regional and global level. The mutually beneficial arrangement reinforces Chile's peacekeeping commitment.

Chile's increase in PKOs reflects the two sides' advantageous agreement. In 1998, the Minister of defense assigned a permanent liaison officer to the United Nations. Next, in February 2000, the army deployed a flight of helicopters, comprising three aircraft and 41 soldiers, to assist in the United Nation's East Timor mission (UNTAET). One Chilean designee served as a plans officer in headquarters for UNTAET. In the same year, the army sent an officer to Kosovo to serve as a liaison between NATO and UN forces. In 2001 a naval officer served as instructor to the Argentina Center of Training for Peace Operations (CAECOPAZ). Additionally, a second officer integrated himself into the Argentine military peacekeeping battalion deployed to Cyprus.²²¹ Lastly, in 2004 the military cemented its commitment to peacekeeping by participating in

²²¹ *Libro*, 97.

the largest peacekeeping deployment in state history. In February 2004, Chile contributed a battalion of 370 Army Infantry and Special Forces to the provisional force in Haiti. Already astounding, after three months of operations and a switch to U.N. command, Chile bolstered the force to over 600 personnel comprised of personnel from all three military services as well as the Carabineros.²²² To boot, former foreign relations minister, Juan Gabriel Valdés, took over as the Chief UN officer in Haiti. As the UN's highest ranking representative, Valdés reaffirmed Chile's dedication to Haiti "for the long haul," despite a U.N. prediction of a twenty plus year operation.²²³ With both civilians and the armed forces reaping rewards, peacekeeping continues to expand.

1. Military Incentives

Deeper analysis of the benefits of the armed forces supports the gainful arrangement. First, the diminished threat environment and the fall of Pinochet reduced the armed forces strategic importance. The once proud military became an idle body associated with human rights abuses and authoritarianism domestically and internationally. Cognizant of the situation and with newer leadership at the helm, commanders became more open to the idea of peacekeeping. Resultantly, Chile agreed to support UN PKOs under the stipulation "operations must contribute to the improvement of participating Chilean institutions."²²⁴ Functioning under this agreement, in 2005 all services participate in PKOs. As proof, amongst the 600 plus troops in Haiti, 350 are soldiers and marines, 38 are Carabineros, 85 are engineer, and the rest are Air Force personnel maintaining a squadron of UH-1H "Huey's."²²⁵ Additionally, the Carabineros are expanding their role as General Alberto Cienfuegos agreed to provide training and technical assistance to the Haitian national police.²²⁶ Documented in Chile's UN charter and able to reach across all services, PKOs justify the military institution.

²²² "Chile: Executive Summary" *Jane's Information Group* [journal on-line]; Internet; accessed 22 July 2005.

²²³ Edith Lederer, "UN OKs New Haiti Peacekeeping Mission," *Global Policy Forum*, available at <http://www.globalpolicy.org/security/issues/haiti/2004/0501mission.htm>; Internet; accessed 13 May 2005.

²²⁴ "UN Peacekeeping Operations: Chile" *United Nations*, available at <http://www.un.int/chile/misionesdepazenglish>; accessed 28 August 2005.

²²⁵ Teresa Correa Reymond, "Congreso Evaluará Misión en Haití," *El Mercurio*, 25 April 2005, National.

²²⁶ "Carabineros Entrenará a Policía Haitiana," *Ministry of National Defense of Chile*, available at <http://www.defensa.cl/paginas/public/noticias/2005/1403haiticarabineros.htm>; Internet; accessed 20 August 2005.

Next, PKO increase the Chilean military's budget. In 2004, the year the military fully committed to PKOs, the budget was the highest in the last four years and a second year of increase. As a result, Chile's military's expenditures reached record levels. Reinforcing the link between budget and peacekeeping, Defense Minister Bachelet stated, "The process of modernization of the Air Force is specifically oriented toward participation in these [peacekeeping] operations."²²⁷ With budgets and PKOs on the rise, and the government justifying expenditures in terms of peacekeeping capabilities, military coffers will continue to swell.

In addition to high military budgets, the Chilean military is also enjoying increased personnel salaries. According to *El Mercurio*, the UN pays each Chilean soldiers, engineers, pilots etc. deployed in Haiti US\$1,028/month.²²⁸ Compared to a Chilean cabo segundo's (American equivalent of a private) monthly income of \$320.00, the added cash increases his/her pay over 300%.²²⁹ The budgetary and personal pay incentives strengthen military motivations for participation as well as morale.

Furthermore, the Chilean armed forces benefit from the low cost of missions due to UN reimbursement. Chile's two years of operations supporting MINUSTAH cost the state a gross total of US\$88 million.²³⁰ Of that total, the UN will reimburse \$50 million. Additionally, the increased pay to uniformed personnel exceeds \$22 million. Subtracting the reimbursement and personnel pay incentives, Chile's net cost for MINUSTAH is a paltry \$15 million.²³¹ The minimal price tag and institutional advantages convince personnel such as Seaman Mauricio Diaz that "Chile has a commitment before the United Nations and the world to achieve peace."²³²

²²⁷ Michelle Bachelet, "Palabras de la Ministra de Defensa Nacional, Michelle Bachelet Jeria," *Minister of Defense of Chile*, available at <http://www.defensa.cl/paginas/public/noticias/2004/03032004haiti.htm>; Internet; accessed 25 August 2005.

²²⁸ Reymond.

²²⁹ Ibid.

²³⁰ Ibid.

²³¹ Ibid.

²³² "Fuerzas Armadas Chilenas se unen por la Paz Mundial." *Chilean Navy*, available at http://www.armada.cl/p4_armada/site/artic/20030515/pags/20030515103350.html; Internet; accessed 23 August 2005.

Yet, the Chilean armed forces expect training and concessions in addition to reimbursements. According to Chile's UN charter regarding PKOs, operations "must give results in expertise, personnel training, procurement and replacement of material equipment, etc."²³³ Living up to the charter, Chile received extra Bell UH-1H "Huey's" and spare parts for their role in Kuwait.²³⁴ Additionally, Chileans deployed to Haiti are receiving training in order to conduct patrols, arm control checkpoints, and perform medical reaction, rubble excavation, and orphanage construction.²³⁵ Academically, units receive courses in mechanics, electrical engineering, and first response.²³⁶ Commenting on these conditions, Commander Rodrigo Carrasco, head of the Chilean Battalion in Cabo Haitiano stated "peace mission are significant because they allow us to put into practice and reality that which we have learned in life."²³⁷ Combined with six-month rotations and logistical support, training and concessions received by the Chilean military impact a high volume of personnel.

Furthermore, PKOs boost the morale of Chilean armed forces. General Cienfuegos classified PKOs as a "great motivation."²³⁸ Commander Rodrigo Carrasco, head of the Army Battalion in Cabo Haitiano, brimmed "Although after six months of deployment I want to return, it is worth it...One feels the affection of the children... It puts a lump in your throat and pulls on your heart."²³⁹ Army and Air Force pilots received the MINUSTAH medal from Brazilian General Augusto Heleno Ribero, the Haitian deployment commander. Colonel Federico Klock, commander of the helicopter group stated "Flying for peace, this is the statement that animates and motivates us daily as we do it for the security of others, contributing to a consolidated human end and for hope in the future of the nation."²⁴⁰ Even the most junior soldiers such as Seaman

²³³ "UN Peacekeeping Operations: Chile."

²³⁴ Palá, 138.

²³⁵ Reymond.

²³⁶ Ibid.

²³⁷ Ibid.

²³⁸ "Carabineros Entrenará a Policía Haitiana."

²³⁹ Reymond.

²⁴⁰ "Personal Chileno de Grupo de Helicópteros Conjunto Fue Condecorado en Haití por su Servicio a la Paz," *Minister of Defense of Chile*, available at <http://www.defensa.cl/paginas/public/noticias/2004/2911condecoracion.htm>; Internet; accessed 22 August 2005.

Mauricio Diaz expressed pride in PKOs. The young sailor feels “Chile has a commitment before the United Nations and the world to achieve peace.”²⁴¹ From General (Carabineros) to Colonel (Army/Air Force) to Seaman (Navy), Chileans across all the services and all ranks are proud of their participation in PKOs.

Lastly, the Chileans armed forces are able to interact with other units. When Chile first deployed to Haiti as part of the 3,600 troop response they were the only country from Latin America. The 300 plus member force deployed and worked alongside U.S., Canadian, and French militaries. Currently the 600 plus force is embedded amongst 6,299 troops, 1,437 civilian police, 425 international civilian personnel, 800 local civilian staff and 139 UN volunteers.²⁴² Integrating themselves amongst troops from regional partners Argentina, Uruguay, and Brazil as well as far-off allies like the Philippines, Chileans are immersed in foreign cultures. Seaman First Class Samy Hawa enjoys the opportunity. The younger sailor states, “PKOs provide us experience with real international conflicts and situations...while providing an exchange of experiences and increasing the sense of community amongst soldiers and units.”²⁴³

2. Civilian Leadership Incentives

Opposite the military, Chilean civilians derive numerous benefits from peacekeeping. First and foremost, PKOs increase civil-military dialogue. In recent history, Chile took great strides in building civil-military rapport. As stated earlier, measures implemented include increasing advanced degrees at the War Academy to publication of the Defense White Book. Peacekeeping strengthens these past trends. Dialogue between senior civilian defense officials and military personnel is now commonplace. As proof, in March 2005 Minister Bachelet met with troops at the Naval Academy in order to explain the concept and evolution of PKOs, Chile’s global economic policy and the military’s subordinated role. The Minister emphasized “the traditional agenda of conflict is shrinking” while “the international crisis requiring peace operations

²⁴¹ “Fuerzas Armadas Chilenas.”

²⁴² “Haiti: MINUSTAH Facts and Figures,” *United Nations*, available at <http://www.un.org/Depts/dpko/missions/minustah/facts.html>; Internet; accessed 24 August 2005.

²⁴³ “Fuerzas Armadas Chilenas.”

are incredibly important.”²⁴⁴ Next, Minister Bachelet addressed the first 300 Chileans troops deploying to Haiti. The Minister highlighted again the role between international stability and domestic prosperity. She states, “Under the conditions of a strategy of open development to the exterior and in the role of globalization, there is not a region in the world disconnected from the other.”²⁴⁵ By emphasizing Chile’s global nature, the military’s role within this scheme and continually reinforcing it, the Minister hopes to increase understanding between the bodies.

In addition to speeches, top officials meet with units regularly. In 2004, Minister Bachelet addressed troops deployed to the Rene Schneider military camp. While visiting, she stressed the soldiers’ role in “the most important military operations the country has undertaken in recent times.”²⁴⁶ Continuing, on New Year’s Day 2004, Defense Minister Jaime Ravinet and the Subsecretary of War, Gabriel Gaspar, met with Chile’s helicopter group. The ministers, pilots, and maintainers shared a “lunch of camaraderie.”²⁴⁷ Later in the day the ministers dined with the majority of armed forces deployed in Haiti. Lastly, Minister Ravinet toured a forward deployed hospital controlled by the CINC of logistic battalion “Bellavista” General Javier Urbina Paredes. The tour resulted in General Paredes admitting “[this hospital] is not only for the army, but for all of the country.”²⁴⁸ The visits, in chorus with the increased dialogue, promote civil-military trust.

A second government benefit from PKOs for the Chilean government is military subordination. The increased training and oversight the military receives as a result of PKOs inculcates respect for and subordination to civilian authorities. In order to facilitate these values domestically, the Minister of Defense established the Centro

²⁴⁴ Michelle Bachelet, “Las Operaciones de Paz: Evaluación y perspectivas en el marco de la política de defensa,” *Revista Marina*, available from www.revistamarina.cl/revistas/2002/5/bachelet.pdf; Internet; accessed 22 August 2005.

²⁴⁵ Bachelet, “Palabras.”

²⁴⁶ Bachelet, “Palabras.”

²⁴⁷ “Ministro Ravinet Parte a Visitar Tropas Chilenas,” *Minister of Defense of Chile*, available from http://www.defensa.cl/paginas/public/noticias/2004/2912ministro_haiti.htm; Internet; accessed 15 August 2005.

²⁴⁸ “Visita al Hospital de Campaña,” *Chilean Army*, available from http://www.ejercito.cl/noticias/detalle_noticias.php?id=2467; Internet; accessed 28 July 2005.

Conjunto para Operaciones de Paz de Chile (CECOPAC) in July of 2002.²⁴⁹ Designed to emulate the successful Pearson Peacekeeping Center in Canada, CECOPAC teaches civilians and military personnel how to function in an international environment, comply with UN doctrine and increase civil-military trust.²⁵⁰ Courses required for civilians and military alike include *General Knowledge of the UN, Human rights, Use of Force (ROE), Civil-Military Cooperation, Cultural Awareness and Stress management*.²⁵¹ Designed and controlled by civilians, CECOPAC indoctrinates the hundreds of civilian and military graduates to better function together.

Civilian oversight bodies reinforce training received by graduates of CECOPAC. For example, the *MINUSTAH Mandate for Contributing Nations* stipulates forces must support “Haitian human rights institutions and groups in their efforts to promote and protect human rights...in order to ensure individual accountability.”²⁵² Compliance with the mandate is monitored and reported by the Office of the United Nations High Commissioner for Human Rights. The Commission collects the information on Chile’s compliance and disseminates it internationally. This independent oversight and control increases military transparency.

Lastly, the Chilean government boosts their international presence economically and diplomatically through peacekeeping. In addressing the former, the Chilean government understands PKOs provide global stability which aids domestic economy. When briefing the Chilean Naval Academy, Minister Bachelet stated, “we have transitioned from a model of international development to a full, active, and deeply integrated world model and because of that we are more interdependent and sensible to the evolution of the international environment.”²⁵³ Building on this theme, Bachelet

²⁴⁹ “CECOPAC Celebra Su Tercer Aniversario,” *CECOPAC*, available from <http://www.cecopac.cl/NOTICIAS.htm>; Internet; accessed 22 August 2005.

²⁵⁰ “Ministra de Defensa: Tenemos una Prioridad: Chile Debe Aumentar y Mejorar las Operaciones de Paz,” *Gobierno de Chile*, available from <http://www.defensa.cl/paginas/public/noticias/2002/29.11.2002mdnopaz.pdf>; Internet; accessed 11 August 2005.

²⁵¹ “Executive Seminar on Peace Operations “SS-60S” Cooperation with Lester B. Pearson Peacekeeping Centre,” *CECOPAC*, available from <http://www.cecopac.cl/ENGLISH/inicio.htm>; Internet; accessed 10 August 2005.

²⁵² “Haiti: MINUSTAH Mandate,” *United Nations*, <http://www.un.org/Depts/dpko/missions/minustah/mandate.html>; Internet; accessed 20 August 2005.

²⁵³ Bachelet, “Las Operaciones de Paz.”

noted, “More than half of Chile’s income is from exports, for that Chile must participate in the construction of security and international stability.”²⁵⁴ In light of these comments, Chile’s recent free-trade agreements (FTA) with the European Union and the United States and their forthcoming FTA with China only increase the importance of international stability.²⁵⁵ Reliant on exports and global stability, PKOs perform a vital function for Chile’s.

Additionally, Chile uses peacekeeping to boost its diplomatic presence. Minister Bachelet openly stated in a 2002 speech entitled *Peacekeeping Operations: Evaluation and perspectives of political defense*, Chile was a non-permanent member of the Security Council of the United Nations in the early nineties and “aspires to be that again in 2003.”²⁵⁶ Not surprisingly, the UN re-approved Chile’s council seat on 1 January 2003. Next, following Chile’s involvement in Haiti, former foreign minister Juan Gabriel Valdés became the ranking UN member in Haiti as Secretary General Kofi Annan’s special representative. Continuing, Chile became a member of the UN’s Commission on Human Rights from 2002-2004.²⁵⁷ Lastly, Chile’s former Interior Minister, José Miguel Insulza, became the Secretary-General of the Organization of American States in 2005. Chile’s string of international diplomatic victories and Chile’s increasing peacekeeping presence are no coincidence. As noted by Minister Bachelet, Chile leverages political capital from PKOs to garner international favor.

D. CONCLUSION

In summary, PKOs provide incentives to civilian elites and the military enticing them into a stable civil-military arrangement. For the elites, motivations include civil-military dialogue, subordinate armed forces and international prestige. The military

²⁵⁴ Bachelet, “Las Operaciones de Paz.”

²⁵⁵ Liu Weiling and Jiang Wei “Free Trade Deal with Chile in the Pipeline,” *China Daily*, available from http://www2.chinadaily.com.cn/english/doc/2005-08/16/content_469349.htm; Internet; accessed 16 August 2005.

²⁵⁶ Bachelet, “Las Operaciones de Paz.”

²⁵⁷ “Commission on Human Rights,” *Office of the High Commission for Human Rights-United Nations*, available from <http://www.unhchr.ch/html/menu2/2/chrmem.htm#2004>; Internet; accessed 29 August 2005.

receives a mission, budgets, personnel pay, training, material incentives, and morale. Both sides' benefits boost regional stability, providing a stable economic environment and reinforcing the structure.

In the Chilean case, the military and government attain the majority, if not all of, the theoretical advantages. For the civilians, PKOs increase civil-military dialogue, provide the military a mission, increase transparency and oversight of operations as well as project Chile on a global stage. An economy built on exports and a foreign policy reliant on free trade agreements and political capital reinforces the policies. For the armed forces, peacekeeping justifies the constitutionally guaranteed budgets. In the wake of Pinochet's trial and the judiciaries' prosecutions of senior officers, PKO legitimize the alienated yet powerful Chilean military. Personal pay increases, UN concessions and international interaction sweeten the pot. Demonstrated by Chile's growing dedication to PKOs, both sides will remain committed to the stable arrangement. The question remains, how will the United States respond?

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V. CONCLUSION AND RECOMMENDATIONS

This thesis has shown that Chile's threat environment does not justify current military budgets. Following the democratic transition, analysts argued that an authoritarian hangover maintained expenditures. General Pinochet's arrest, trial and discredit and the resulting overhaul of civil-military relations invalidated these theories. This thesis argues, instead, Chilean defense expenditures are a result of a mutually beneficial civil-military arrangement based in part on peacekeeping operations (PKOs) as an important new mission for Chile. Beneficial to both sides, PKOs provide the civilian elites military subordination and international prestige while justifying the military's mission and budgets. As such, PKOs will remain a cornerstone of Chilean defense policy.

The thesis' central question is: Why does the Chilean government continue to fund the military in excess of its threat environment? Conventionally, Chile maintained high military budgets to defend expansive borders with hostile Argentina, Peru and Bolivia. However, the resolution of almost all of its outstanding border conflicts since the transition to democracy and the political and economic hard times that have wreaked havoc on the defense budgets of Chile's neighbors have greatly reduced these external threats. Nonetheless, Chile dedicates a higher percentage of their GDP to defense expenditures than any other Latin American state.

The disproportionate defense budgets can be explained by domestic political factors. Following the democratic transition and until Pinochet's arrest, analysts attributed the high budgets to the 1980 constitution and the influence of the military as a political actor. The constitution defined a prominent role for the armed forces and insulated budgets through the Copper Law and spending guarantees. Until 1998, the parties of the right and the senators designated by the outgoing authoritarian government blocked the governing Concertación's constitutional reform efforts by pooling their votes in the senate. However, Pinochet's arrest in 1998 initiated a civil-military reversal. The judiciary prosecuted human rights abuses, the right distanced themselves from the military, and more open minded military leadership came to power. The Concertación

allied with the newly reformist right in order to “complete” the constitutional reforms by eradicating the authoritarian enclaves. Nevertheless, constitutional spending guarantees remained and military budgets reached their highest levels ever.

This thesis attributes the high budgets to a process of “normalization” of civil-military relations. New military leadership acknowledged human rights abuses and pledged subordination to civilian authority. In return, the civilians omitted the spending guarantees from the constitutional reforms and military budgets remained high. The question then becomes, is the situation stable or will the civilians reduce spending in the future?

This thesis argues that relatively high defense spending is likely to continue into the future since it serves the interests of both military and civilian elites. For the armed forces, PKOs increase budgets, personnel pay and morale at a low cost with additional material and cross-training benefits. For civilians, PKOs augment civil-military dialogue, provide a conventional and subordinate external mission for the armed forces and boost international prestige. Benefiting both sides, Chile peacekeeping commitment grew from a handful of observers in 1998 to over 600 troops in Haiti by 2005. Looking to the future, diminished conventional threats in the post-Cold War environment and Chile’s internationally oriented foreign and economic policy increase the value of the peacekeeping benefits. Barring major policy shifts, Chile’s commitment to PKOs should grow.

As such, the United States government should recognize and support Chile’s endeavors. First, peacekeeping helps cement improving civil-military relations in Chile. Although civil-military relations have greatly improved since 1990, civilian governments have not been able to consolidate control over the armed forces since the transition to democracy. By supporting Chilean PKOs, the United States can contribute to this process, possibly serving as a model for civil-military reform throughout Latin America. Second and related to the last point, PKOs further consolidate democracy in Chile. PKOs increase civil-military dialogue, transparency and familiarity and compliance with international law. Resultantly, increased Chilean peacekeeping participation fortifies

democracy. A consolidated Chilean democracy is important to Latin America as it may serve as an anchor against the destabilizing effects of the Andean region and Hugo Chavez.

Furthermore, the United States military has much to gain from future Chilean PKOs. Peacekeeping justifies high Chilean defense budgets, leading to equipment upgrades and a viable weapons market. As seen with the purchase of General Dynamics F-16's, the Chileans desire American technology. Equipment purchased from the United States promotes interoperability. The ability to integrate with American forces reduces logistic strain and promotes effectiveness in joint PKOs. Also, joint peacekeeping missions bolster international dialogue, information and trust between the nations. In short, the United States receives a highly trained and effective military ally and Chileans the international prestige they desire.

The United States can facilitate Chilean involvement in PKOs through a number of measures. First, the United States should maintain its policy of advanced weapon sales to Chile. The improved regional relations and Chile's posture of updating outdated military equipment reduces the likelihood of an arms race. Second, the United States should continue and/or increase funding for PKOs. The civil-military reforms initiated within partner states and the closer international relations formed between the United States and regional allies due to PKOs outstrip the associated costs. Third, the United States should continue to publicly recognize nations participating in PKOs. As demonstrated by Argentina and Chile, diplomatic recognition and political capital spurn peacekeeping participation and its associated benefits. Lastly, the United States should support Chile's efforts to assume a leadership role in PKOs and the region. Chile has demonstrated it is a capable regional leader through its participation in the Organization of American States and in its role in NATO's MINUSTAH mission in Haiti. Chile's increased weapons capability and leadership role will increase its peacekeeping capacity while cementing a strong alliance with the United States.

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